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THE  
Earning Power of Railroads  
1916

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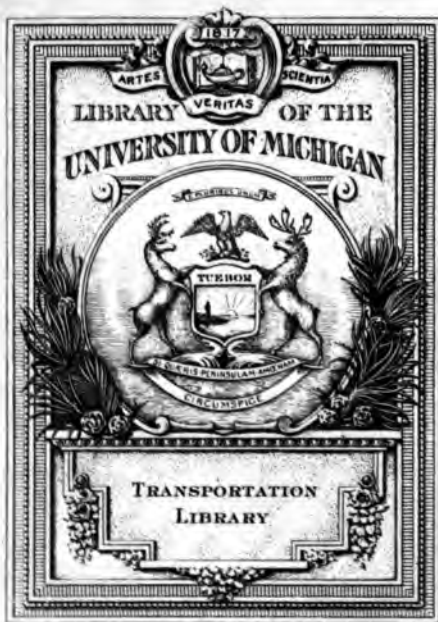
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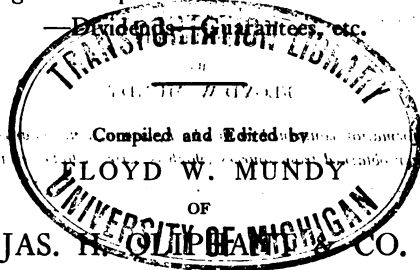
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# THE Earning Power of Railroads

1916

Mileage—Capitalization—Bonded Indebtedness—Earnings  
—Operating Expenses—Cost of Maintenance—Fixed  
Charges—Comparative Statistics—Investments  
—Dividends—Guarantees, etc.



1916

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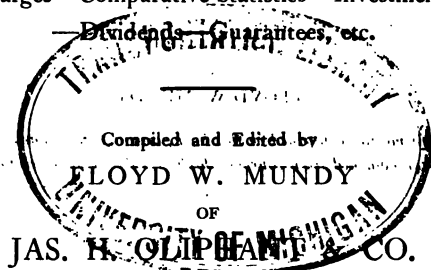
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## PREFACE

In the following pages we present important statistics and other facts relating to the earning power and to the securities of railroads, arranged in convenient form for ready reference. The statistics are given for practically all the important railroads in the United States, Canada, Cuba, and South American countries, the securities of which are known, in a greater or less degree, to American Investors.

The Introductory Chapters explain in a general way the fundamental principles which must be applied by the investor to inform himself as to the value of the stocks or bonds of any railroad.

The Tables, which give vital statistics regarding earnings, mileage, capitalization, tonnage, etc., are designed to present the statistics mentioned in such a way as to permit of easy comparison between those of each railroad.

The Notes give information as to dividends and such other information about the railroads' capitalization, investments, physical and financial condition, etc., as appears to be of direct interest to the investor.

The official annual railroad reports have been used almost exclusively in the preparation of this book.

The one hundred and sixty railroads, whose income accounts are given in the 1916 Edition of the Earning Power of Railroads, operated, in the period under review, about 250,000 miles of main track.

2.8/91

## PREFACE

The method of presentation is, we believe, such as will readily commend itself to investors and others interested in the securities of railroads.

JAS. H. OLIPHANT & CO.

Year 1916.

*The author desires to acknowledge his indebtedness to Frederic M. Halsey, Statistician of Jas. H. Oliphant & Co., for invaluable assistance rendered in the work of preparing this book.*

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## INTRODUCTORY

As a necessary preliminary to the discussion which follows, it must be stated that this book treats in a most simple manner of the earning power of railroads, and deals but little with those features alike most essential to investors—the traffic resources and the financial and physical condition of the railroads. As a rule, comparison of the earning power of different roads can be made easily and intelligently owing to the uniformity in this regard of the reports submitted by the railroad companies. Recent legislation by Congress has resulted in establishing in the reports of railroads a practical uniformity which has never before existed. While the balance sheets of many railroads are not as complete and satisfying as they should be, yet individual investigation into the financial condition of any road can readily be made, and, as a rule, its strength or weakness financially ascertained.

All too few details are given in the railroad reports of today as to the physical characteristics, the character of rail and ballast, the number of grade crossings, the extent and nature of curvatures and gradients, and the number and character of bridges, culverts, etc., etc. Knowledge of all these, as well as of the character and density of traffic and of the general conditions attendant upon the obtaining and conduct of such traffic, is essential to the complete understanding of the merits of railroad securities; yet invaluable information bearing upon their relative merits can be acquired by comparison of the income accounts of the different roads. While the peculiar and varying conditions

gestions and remarks embodied in the various Chapters; yet, as a whole, the integrity of the discussion on the analysis of railroad reports will remain virtually without change.

Briefly, the instructions issued by the Commission under the provisions of the Act above referred to, stipulate that, beginning July 1st, 1907, charges for construction, additions, betterments, equipment and all such charges of an extraordinary nature and not strictly operating expenses shall not be charged to Maintenance Expenses or otherwise included in Operating Expenses so as to constitute a deduction from Net Earnings. Expenditures of this nature may at the discretion of the railroad be either capitalized or deducted from the year's surplus as ascertained after all fixed charges and dividends have been deducted. For example, beginning July 1st, 1907, no charges are allowed to be made to Maintenance of Way for improvements or betterments to track or structures where such improvements or betterments exceed in each case \$200; so in the case of Maintenance of Equipment, the cost of new equipment, except where purchased for replacement, is not allowed to be charged (as in the past it has frequently been charged) to that account. It was the purpose of the Commission to establish definite rules and regulations which should govern "Renewals" and the "Depreciation" accounts, the purpose of these accounts being that "all the cost of maintenance and not more than the cost of maintenance shall be charged to the maintenance accounts of Operating Expenses." The importance to the investor of the new accounting rules established by the Interstate Commerce Commission cannot be overestimated. To quote from a communication by the Interstate Com-

Interstate Commerce Commission, "there will arise a general confidence in railway securities which will give them a sure and stable value, provided the enterprise which they represent is a sound commercial enterprise."

The new system when fully established not only will result in close uniformity in the reports of all the railroads, but also will tend to prevent deception in either undercharging or overcharging Maintenance Expenses on account of repairs and renewals.

For the fiscal years ending June 30, 1908, to June 30, 1915, the accountants of the different railroads were privileged to base their charges on account of depreciation of equipment upon what they deemed a fair basis, stating in their reports to the Interstate Commerce Commission the exact basis upon which this depreciation was computed. Hereafter, as will be discussed in the Chapter "Maintenance of Equipment," each railroad in its report to the Commission must justify its charges account of depreciation of equipment. It is understood that the Interstate Commerce Commission will in due course issue definite instructions in regard to this depreciation charge on equipment which will thereafter apply to all the railroads. To the extent that to-day the depreciation charge varies on the different railroads, the present accounting scheme lacks uniformity.

The Commission on July 1, 1914, issued a re-classification of Operating Expenses, which will be referred to hereafter. This new classification of expenses provides for the creation of depreciation reserves for railroad property other than equipment by means of charges to operating expenses. The use of these depreciation accounts is for the present optional with the carrier. Only a few

railroads made any charges to this account during 1914-15, and it will likely be some years before a basis of comparison may be determined. (The Norfolk & Western Ry. for the year 1914-15, charged \$642,794, or more than 11% of its maintenance of way expenses, to this account.)

In the statements of Income Account in this book taxes are included in Fixed Charges as explained in Chapter XI. Reference is here made to this fact for the reason that according to the rules of the Interstate Commerce Commission, since July 1, 1907, taxes have been deducted from Net Operating Revenues and are not considered as a part of the Fixed Charges.

# THE EARNING POWER OF RAILROADS.

## CHAPTER I

### INCOME ACCOUNT

(Note: Attention is particularly invited to the introductory Comment (page 11) where reference is made to the amendments enacted in June, 1906, of the Act to Regulate Commerce so far as these relate to the methods of accounting, which went into effect July 1, 1907.)

The income account, or statement of the earnings and expenses for the fiscal period, is now given in railroad reports as follows:

Operating Revenues .....	\$10,000,000
Operating Expenses .....	6,000,000

Net Operating Revenues .....	\$4,000,000
Taxes .....	375,000

Operating Income .....	\$3,625,000
Other Income or Gross Corporate Income....	200,000

Total Income .....	\$3,825,000
--------------------	-------------

#### Deductions from Income or Fixed Charges:

Interest .....	\$1,500,000
Rentals .....	75,000
Sinking Funds, Exchange, etc.....	25,000
Hire of Equipment.....	25,000

Total Fixed Charges .....	\$1,625,000
---------------------------	-------------

Net Income .....	\$2,200,000
Dividends .....	1,000,000
Additions and Betterments.....	700,000
Surplus .....	500,000

For the sake of uniformity the general accounts as given in the statements of Income Accounts in this book are arranged in order and styled as explained below.

ACCOUNTS PRESCRIBED BY INTER-STATE COMMERCE COMMISSION. TERMS USED IN THIS BOOK.

Operating Revenues,	<i>Operating Revenues,</i>
Operating Expenses,	<i>Operating Expenses,</i>
Net Operating Revenues,	<i>Net Operating Revenues,</i>
Taxes,	<i>Taxes are included in Fixed Charges and the amount thereof specified;</i>
Operating Income,	<i>Not used (see under Taxes).</i>
Non-Operating Income,	<i>Other Income,</i>
Gross Corporate Income, (or Gross Income),	<i>Total Net Income,</i>
Deductions from Gross Income, or Fixed Charges,	<i>Fixed Charges,</i>
(Under this heading are included "Hire of Freight Cars"—Dr., and "Rent of Equipment.")	<i>(Under this heading are included "Hire of Freight Cars"—Dr., and "Rent of Equipment" and "Taxes," the amounts being specified.)</i>
Net Income.	<i>Surplus.</i>

To any one at all familiar with railroad reports each of the above items is self-explanatory. In ascertaining the earning power or the ability of a road to pay interest and dividends, the most important item of the income account to be considered is the Operating Expenses.

## CHAPTER II

## OPERATING EXPENSES

(Note: Attention is particularly invited to the Introductory Comment (page 11) where reference is made to the amendments enacted in June, 1906, of the Act to Regulate Commerce so far as these relate to the methods of accounting which went into effect July 1st, 1907.)

The operating expenses of almost all the railroads in the United States are classified according to rules prescribed by the Interstate Commerce Commission. The primary accounts are all embodied under seven general accounts, as follows:

1. \*Maintenance of Way and Structures.
2. Maintenance of Equipment.
3. Traffic Expenses.
4. Transportation Expenses.
5. Miscellaneous Operations.
6. General Expenses.
7. Transportation for Investment—Cr.

\*Styled *Maintenance of Way* in this book.

In the Table Pages of this book accounts (5) Miscellaneous Operations and (6) General Expenses are consolidated, while account (7) Transportation for Investment—Cr. is deducted from Transportation Expenses.

1. Under **Maintenance of Way and Structures** fall expenses for the repairs and renewals of machinery and tools, for repairs of roadway, track, tunnels and subways, for ballasting, for repairs and renewals of switches, frogs, ties, fences, bridges, culverts, stations, shops, buildings, etc., likewise according to a ruling of the Interstate Commerce Commission depreciation of track, roadway, etc. (optional).



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Fonda, Johnstown & Gloversville Railroad.....	258	74
Georgia Southern & Florida Railway.....	864	139
Grand Rapids & Indiana Railway.....	817	167
Grand Trunk Railway of Canada.....	490	198
Great Northern Railway.....	448	182
Green Bay & Western Railroad.....	318	108
Guantanamo & Western Railroad.....	497	203
Gulf & Ship Island Railroad.....	397	153
Hocking Valley Railway.....	318	109
Illinois Central Railroad.....	330	110
Illinois Southern Railway.....	322	111
Indiana Harbor Belt Railroad.....	322	112
International & Great Northern Railway.....	426	171
International Railways of Central America.....	500	206
Kanawha & Michigan Railway.....	323	113
Kansas City Southern Railway.....	427	172
Lake Erie & Western Railroad.....	324	114
Lake Shore & Michigan Southern Railway.....	324	115
Lehigh & Hudson River Railway.....	259	75
Lehigh & New England Railroad.....	280	76
Lehigh Valley Railroad.....	261	77
Long Island Railroad.....	264	78
Louisiana & Arkansas Railway.....	398	154
Louisiana Railway & Navigation Co.....	399	155
Louisville & Nashville Railroad.....	399	156
Louisville, Henderson & St. Louis Railway.....	402	157
Macon, Dublin & Savannah Railroad.....	365	140
Maine Central Railroad.....	224	61
Manila Railroad.....	513	217
Manistee & North-Eastern Railroad.....	327	116
Maryland & Pennsylvania Railroad.....	265	79
Michigan Central Railroad.....	327	117
Midland Valley Railroad.....	428	173
Minneapolis & St. Louis Railroad.....	454	183
Minneapolis, St. Paul & Sault Ste. Marie Railway.....	458	184
Mississippi Central Railroad.....	402	158
Missouri, Kansas & Texas Railway.....	429	174
Missouri Pacific Railway.....	432	175
Mobile & Ohio Railroad.....	403	159
Montana, Wyoming & Southern Railroad.....	461	186
Nashville, Chattanooga & St. Louis Railway.....	404	160
Nevada-California-Oregon Railway.....	480	192
New Orleans & Northeastern Railroad.....	405	161
New Orleans Great Northern Railroad.....	406	162
New York Central Railroad (N. Y. C. & H. R. R. R.).....	266	80
New York, Chicago & St. Louis Railroad.....	329	118
New York, New Haven & Hartford Railroad.....	226	62

## CHAPTER III

## A

## MAINTENANCE EXPENSES

(Note: Attention is particularly invited to the Introductory Comment (page 11) where reference is made to the amendments enacted in June, 1906, of the Act to Regulate Commerce so far as these relate to the methods of accounting which went into effect July 1st, 1907 (with subsequent amendments). The uncertainty which exists as to the exact effect which this system, when in full operation, will have on the statements of the railroads renders it undesirable that any important changes be made in the text of the following chapter which is taken practically without change from previous editions of the book.)

There are many railroads in the United States whose maintenance outlays have been, and are, clearly inadequate. Many more railroads are found, however, whose maintenance outlays have been heavily surcharged each year. Too often investors are deceived by the general statement in the annual report that "the management is gratified to be able to say to the shareholders that the close of the fiscal year finds the property of the company in as good condition as it was last year." This is not sufficient. Keen competition and the teaching of the numerous reorganizations have forced upon the managers the necessity of charging to income items which were formerly charged, and from an accounting standpoint, often might properly be charged, to capital account. So the management should be able to say, in lieu of the above, that the improvement work has so progressed during the fiscal period as to keep the property substantially abreast of its competitors. There are few railroads in the United States whose financial policy has been of a constructive order, which cannot, with earnings as they have averaged in the past several years, fully maintain their property and pay their fixed charges. There are many which as the event has proved could not do this and, in addition, pay dividends.

Analysis of the yearly expenses for Maintenance of Way and for Maintenance of Equipment will show distinctly whether or not a road is becoming more liberal in that regard.

Comparison of the maintenance expenses of different roads operating under like conditions will tend to establish the relative policy pursued by each.

## CHAPTER IV

## MAINTENANCE OF WAY

(Note: Attention is particularly invited to the Introductory Comment (page 11) where reference is made to the amendments enacted in June, 1906, of the Act to Regulate Commerce so far as these relate to the methods of accounting which went into effect July 1st, 1907 (with subsequent amendments). The uncertainty which exists as to the exact effect which this system, when in full operation, will have on the statements of the railroads renders it undesirable that any important changes be made in the text of the following chapter which is taken practically without change from previous editions of this book.)

Taking two roads in good condition, traversing the same territory and meeting with like conditions of traffic, etc., a cursory study as to their maintenance will establish which of the two is following the more conservative policy. The best standard to be followed by the average student of railroad reports is to reduce the Maintenance of Way Expenses to a "per mile" basis. Take the total expenses under this head and divide them by the average number of miles operated for the period under review. A certain amount must be appropriated each year for the maintenance of the roadway and structures, whether the business of the road be large or small. While these expenses must of necessity vary somewhat with the density of traffic, yet it by no means follows that a road with a density of 1,000,000 ton miles per mile of road should spend for Maintenance of Way ten times as much as another road which has a density of but 100,000 ton miles per miles of road. So it cannot be said that a road the Operating Revenues of which are \$10,000 per mile should spend ten times as much for Maintenance of Way as the road which earns but \$1,000 per mile. It follows that one road may appropriate 25 per cent. of its gross for a given period for Maintenance of Way and yet not spend so much relatively as the road which so appropriates but 10 per cent. of its gross.

Neither the density of the traffic nor the extent of Operating Revenues determines the fair requirement for Maintenance of Way. Conditions peculiar to each road will mar the comparison between the amounts per mile expended by different roads. One road has a regular profile, as the Northern Pacific; another traverses a mountainous country, as the Atchison; another obtains its ballast from its own gravel pits, conveniently located; another its ties with advantage; yet another has many and expensive bridges and tunnels to maintain, etc., etc. One road may expend but \$800 per mile for Maintenance of Way and yet better maintain the standard of its property than another road which expends an average of \$1,000 per mile. Some roads have branch lines where it would be wasteful under existing conditions of traffic to expend more than \$500 or so per mile. The small expenditures on these branch lines would reduce considerably the average outlay for the system, yet it would not follow that this relatively small average outlay was working to the disadvantage of this system with reference to competitive business.

Obviously the road with a considerable mileage of second and third tracks should require a larger expenditure "per mile of road" for Maintenance of Way than the road with few or no additional main tracks. Where the roads to be compared have double tracks, comparison should be made of the Maintenance of Way "per mile of single main track," although it should be borne in mind that it costs more, under like conditions to maintain two miles of single track than one mile of double track. Another modification arises from the fact that the nature and extent of the business of certain roads necessitate the maintenance of a relatively large percentage of side and passing tracks.

During recent years Maintenance of Way Expenses have shown a natural tendency to increase. Railroads, which in the past have used 75 to 80 pound rail in main track have made their renewals largely with the more costly 90 and 100 pound rail; likewise 50 to 60 pound rail has been replaced with 70 to 80 pound rail. The heavier rail has been found necessary owing to the increasing use of steel equipment and larger locomotives. The use of this heavy equipment has compelled the railroads to replace and strengthen bridges, culverts and embankments, and to spend large sums for ballasting, etc. Likewise ties, rail joints and other materials, have considerably advanced in cost.

It is, therefore, safe to say that when a railroad's Maintenance of Way Expenses average below \$800 to \$1,000 per mile of road these expenses should receive careful scrutiny by the intending investor.

As stated in a previous chapter Maintenance of Way expenses will hereafter include accounts for Depreciation. The ruling of the Commission dated July 1, 1914, follows:

“DEPRECIATION OF FIXED IMPROVEMENTS.—Depreciation accounts, in which to include uniform monthly charges to cover the depreciation of fixed improvements, have been provided for the purpose of creating reserves which will meet or reduce the amounts otherwise chargeable, as may be appropriate, to operating expense or to profit and loss accounts to cover property retired. Such depreciation charges shall be based in each instance upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of the property determined to be equitable by the carrier's experience and best sources of information as to the actual current loss from depreca-





## CHAPTER V

## MAINTENANCE OF EQUIPMENT

(Note: Attention is particularly invited to the Introductory Comment (page 11) where reference is made to the amendments enacted in June, 1906, of the Act to Regulate Commerce so far as these relate to the methods of accounting which went into effect July 1st, 1907 (with subsequent amendments). The uncertainty which exists as to the exact effect which this system, when in full operation, will have on the statements of the railroads renders it undesirable that any important changes be made in the text of the following chapter which is taken practically without change from previous editions of this book.)

Comparison of the Maintenance of Equipment Expenses "per mile of road" avails little. The best basis for testing the sufficiency of these is to ascertain the average amount expended on equipment per unit of service rendered by the equipment; that is, the average outlay per locomotive per mile run, per freight car per mile run and per passenger car per mile run. Maintenance of Equipment depends not alone upon the amount of equipment to be maintained, but also upon the service rendered by the equipment. It stands to reason, that the Erie Railroad, for example, with a freight density, as of 1913-14, of 3,291,110 ton miles and a passenger density of 243,304 passenger miles per mile of road, must expend more "per mile of road" for Maintenance of Equipment than the Atchison, with a freight density, as of last year, of 743,452 ton miles, and a passenger density of 120,709 passenger miles per mile of road. The relatively larger volume of business done or work performed by the Erie requires a relatively larger amount of Equipment and a greater service to be rendered by its equipment. It will be found that Maintenance of Equipment Expenses have usually a direct relation to the road's freight and passenger density, this relation being affected to a considerable degree by train and car loading and other essential factors.

An example will tend to establish that equipment maintenance has necessarily no relation to gross earnings. Suppose the tonnage of one road consists altogether of low class freight, as coal or iron ores, and the tonnage of another road wholly of high class freight. Each road earns \$20,000 per mile. The density of the first road's traffic and, as a consequence, the service rendered by its equipment, must be far greater than that of the second road. The business of the one road might be successfully conducted with one-third of the equipment and power required by the other. *Ergo*, an outlay of \$2,000 per mile for equipment maintenance on the road with the low class tonnage might be no greater, relatively than an outlay of \$1,000 per mile on the other road.

It may be said that under present conditions an average of \$2,500 to \$3,000 per annum per locomotive, \$70 to \$80 per annum per freight car and \$750 per annum per passenger car approximate normal maintenance requirements. All this depends much upon the character of equipment required in the service. It usually costs less, for example, to purchase and maintain coal cars and flat cars than box-cars and refrigerator cars. No argument is necessary to show that it must cost more per unit to maintain a small equipment than a larger one.

Among other important considerations which bear upon the cost of maintaining a road's locomotives and cars may be mentioned the location and equipment of its shops.

There are many roads where, although maintenance both for roadway and equipment is clearly surcharged, the extent of the excess of maintenance over normal requirements cannot be taken as present earning power. Take again, for example, the Erie or Atchison as distinct from

the Baltimore & Ohio, or the Pennsylvania Railroad. While the Baltimore & Ohio and the Pennsylvania do not usually report a surplus much in excess of dividend requirements, yet these companies should be able to pay steadily reasonable dividends, for the reason that when there comes a bad year, there is, and for years has been, abundant opportunity for curtailment of maintenance expenses. After reorganization, the properties of the Erie and Atchison were turned over to the new managers in a deplorable physical condition. Here the needs were so unusual as to make imperative extraordinary charges to operating expenses for maintenance. The excess of these expenses over normal requirements could be considered only as offering opportunity for future retrenchment. It could in no way be taken as an immediate margin of safety.

*Following the rulings of the Interstate Commerce Commission, a majority of the railroad companies charged to Maintenance of Equipment during the last fiscal year, amounts for depreciation varying from six per cent. to one per cent. and less.*

*From even a casual examination of the railroad reports for the past fiscal year, it is apparent that until the Commission shall specify the exact rate to be charged on account of depreciation of equipment, the desired result for which the law was enacted will not be attained.*

Hereafter each railway in its report to the Commission must explain the basis used in charging depreciation as per the following rule of the Commission:

**"EQUIPMENT DEPRECIATION.**

*"The various depreciation accounts shall include uniform monthly charges representing the depreciation of equip-*

ment. These charges shall be based upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of such equipment determined to be equitable from the carrier's experience and best sources of information as to the average current loss from depreciation. A statement of the percentages used by the carrier for computing these charges, together with the estimated life of the equipment upon which such percentages are based, shall be included in its annual report to the Commission.

"Depreciation charges with respect to any equipment shall cease when the difference between the ledger value and the estimated scrap value shall have been credited to the accrued depreciation account."

The following table indicates the rates recently reported in use by a number of important railways in computing depreciation of equipment:—

	Loco- motives	Passenger Train Cars	Freight Train Cars	Work Equip- ment
	%	%	%	%
Atlantic Coast Line R. R. ....	3	2*	3	2
Baltimore & Ohio R. R. ....	4	3	3 to 5	6
Boston & Maine R. R. ....	3	2	2	2
C. R. R. of N. J. ....	4	3	4	4
Chesapeake & Ohio Ry. ....	1½	1½	1½	1½
Chi., M. & St. Paul Ry. ....	1	1	1	1
C., C. C. & St. L. Ry. ....	2	2	2	2
Dela., Lack'a & W. R. R. ....	5†	2½†	6†	6†
Erie R. R. ....	3	3	4	4
Gt. Northern Ry. ....	5†	4	†	†
Illinois Central R. R. ....	3	3	4	5
Lehigh Valley R. R. ....	2¾	1¾	1¾ to 2¼	—
Maine Central R. R. ....	3	2	2	2
N. Y. Central & H. R. R. R. ....	2	2	2	2
Norfolk & Western Ry. ....	3	3	3	3
Seaboard Air Line Ry. ....	2	2	2	2
Southern Ry. ....	2	2	2½ to ¾	2¾

## CHAPTER VI

## B

## TRAFFIC AND TRANSPORTATION EXPENSES, MISCELLANEOUS OPERATIONS, ETC.

As previously suggested, under these subdivisions of the operating expenses fall those expenses which, as distinct from Maintenance of Way and Maintenance of Equipment, must be taken as in large part being in the nature of a fixed or obligatory charge. They relate and are incident to the immediate conduct of the road's business, and like those commonly called "fixed charges"—interest, taxes and rentals—their payment cannot long be delayed. If a road is hard pressed, means may be found whereby the payment of a portion of these expenses can be postponed but only for a short time. In the discussion as to maintenance expenses it was made clear that those expenses are, under necessity or in the discretion of the management, capable of curtailment. It will be found that the amount per mile of the Transportation Expenses has a general relation to the traffic density. This results from the fact that these expenses depend largely upon the train mileage; engine mileage also is an important factor. As density increases, other things, as trainload and carload, being equal, the train mileage increases.

To the average investor the essential thing to consider is the percentage of Operating Revenues required for these groups of Operating Expenses. Where this and the percentage of Gross required for Fixed Charges is given, it is seen what remains for maintenance and dividends. The questions of train and engine mileage, train and car

loading, ton and train mile cost and earnings, etc., are of extreme interest and should be carefully dealt with. These will be passed over here in favor of the more vital considerations which reflect all these—the bearing of operating expenses (other than maintenance) upon gross earnings. It is believed that it is not far from the truth to say that for all the railroads in the United States these expenses did not require for the year 1914-15 more than 40 per cent. of the total gross earnings.

Traffic, miscellaneous Operations and General Expenses have no such relation to traffic density as have the Transportation Expenses. They tend to constancy and vary but little with the amount of business done. These expenses are often relatively greater on a small than on a large road. As Traffic, Miscellaneous Operations and General Expenses make up but a small part of the operating expenses, and as they partake of the nature of Transportation Expenses, as distinct from Maintenance Expenses, it is right here to class them with the Transportation Expenses.

Where, in the comparison of two roads with like character of business, it is found that these expenses of one require a relatively larger percentage of gross than in the case of the other, it means one or both of two things: either that with relatively like rates for the work performed the one road is not conducting its business with the same degree of economy as the other, or that, with like relative economy in the conduct of its business, the rates received by it for work performed are relatively smaller. In the use here of the word "economy," it is understood that the measure of economy is net results. To show the significance of this percentage to the investor, consult for example, the records of the Chicago Great

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Western and the Atchison, Topeka and Santa Fe. The character of the tonnage of these two roads is very similar. For the year ending June 30, 1915, Operating Expenses other than Maintenance consumed 43.6 per cent. of the Great Western's gross income against 33.1 per cent. for the Atchison. These expenses have required a very large percentage of the Great Western's gross income each year for the last ten years, and their ratio to gross income has shown little tendency to become less. When it is remembered that these expenses partake of the nature of a fixed charge upon gross, the full significance is apparent. Let it be assumed that the annual interest, taxes and rentals had required in 1914-15, 20 per cent. of the gross for both the Great Western and the Atchison. Of the Great Western's gross, then 63.6 per cent. would have been consumed by these "fixed" charges, leaving 36.4 per cent. for maintenance and dividends. Of the Atchison's gross, but 53.1 per cent. would have been consumed by "fixed" charges and 46.9 per cent. would have been left for maintenance and dividends. It is clear that the margin of safety for dividends would have been far greater for the Atchison than for the Great Western. The actual margin of safety for the Atchison was greater than has been here indicated, because interest, taxes and rentals required about 16.9 per cent. of last year's gross income against 20.1 per cent. for the Great Western.

While the larger percentage of gross required for these groups of Operating Expenses in the case of one road reflects what has been called "relatively less economy" in operation, yet this by no means implies a relative lack of efficiency in the management. A railroad might be operated with the highest degree of efficiency, yet the aver-

age rates received, and consequently the gross earnings, might be so small as to make these expenses bear a very high ratio to the gross.

When rates, trainloads, etc., tend to constancy, the ratio of Transportation Expenses varies inversely with Operating Revenues.

It is shown in what follows that the margin for maintenance and dividends may be greater on the road with large Operating Revenues per mile, where the Operating Expenses other than Maintenance require, say 42 per cent. of the gross; than on the road with small Operating Revenues per mile, where those expenses require but 35 per cent. of the gross. For the first road 20 per cent. of the gross might be ample for maintenance, while 35 per cent. of its gross might be an insufficient allowance for the second road. The fact remains after all, that, other things being equal, where these expenses are relatively larger, the margin of safety is relatively less.

## CHAPTER VII

## THE OPERATING RATIO

What has gone before leads naturally to the discussion of the Operating Ratio in its bearing upon this question of earning power. It is with great difficulty that many investors are dissuaded from the belief that the Operating Ratio counts for all. Where a road is reported as operating at 50 per cent. it is not uncommon to hear it said that "it cannot be done." Another road reports operating at 75 per cent., and it is said that because of this high Operating Ratio there is manifestly "abundant opportunity for curtailment in expenses." It may be stated at once that the Operating Ratio, or the ratio which operating expenses bear to gross earnings, has of itself no significance whatsoever. A few examples will tend to establish this fact.

The gross earnings (operating revenues) and operating expenses of roads "A," "B," "C," "D," and "E," may be taken as given in the table on page 37. For the sake of argument, it is assumed that it requires for normal maintenance of road and equipment no more "per mile of road" for one of these roads than for another.

OF RAILROADS

	A		B		C		D		E	
	TOTAL	PER MILE	TOTAL	PER MILE	TOTAL	PER MILE	TOTAL	PER MILE	TOTAL	PER MILE
Average mileage owned and operated	1,000		1,000		2,000		5,000		1,000	
Operating Revenues	\$10,000,000	\$10,000	\$10,000,000	\$10,000	\$10,000,000	\$5,000	\$10,000,000	\$2,000	\$30,000,000	\$30,000
Maintenance of Way	1,250,000	1,250	750,000	750	1,000,000	500	1,500,000	300	3,000,000	3,000
Maintenance of Equipment	1,250,000	1,250	750,000	750	1,000,000	500	1,500,000	300	3,000,000	3,000
Ratio of "Maintenance" to Gross	25%		15%		20%		30%		20%	
Traffic and Other Operating Expenses	3,000,000	3,000	4,500,000	4,500	4,500,000	2,250	4,500,000	900	9,000,000	9,000
Ratio of "Traffic and Other Operating Expenses" to Gross	30%		45%		45%		45%		30%	
Total Operating Expenses	5,500,000	5,500	6,000,000	6,000	6,500,000	3,250	7,500,000	1,500	15,000,000	15,000
Ratio "Operating Expenses" to Gross	55%		60%		65%		75%		50%	
NET EARNINGS	4,500,000	4,500	4,000,000	4,000	3,500,000	1,750	2,500,000	500	15,000,000	15,000

It is clear that road "A," operating at 55 per cent., makes more liberal outlay for maintenance than roads "B," "C," and "D," which operate at 60 per cent., 65 per cent., and 75 per cent., respectively. Consequently road "A" has greater room for curtailment in its maintenance. Road "A" includes in its operating expenses sums in excess of normal requirements for maintenance, road "B" spends enough for maintenance, while the expenses of "C" and "D" fall considerably below the average requirements. The \$1,500,000 or 15 per cent. of its gross, expended by road "D" for Maintenance of Way on its 5,000-mile road is by far a relatively smaller outlay than that of road "A," where \$1,250,000, or but 12½ per cent. of its gross is so expended on 1,000 miles of road. Now, take road "E." It is seen that while Traffic and other Operating Expenses require the same percentage of Operating Revenues, "E," operating at 50 per cent., spends for maintenance 140 per cent. more than "A," which is operated at 55 per cent. The table explains itself. It is unnecessary to give more examples (many more might be given) to show that the Operating Ratio of itself is of no significance. Wherever it may have significance it will be found to be wholly the result of accident.

Were it not for the diverse conditions which affect peculiarly the question of maintenance in each individual road, it might be possible to arrive at certain definite rules as to the percentage of gross required for maintenance in different classes of railroads. One rule would suggest itself: that for average maintenance requirements for Southern and Western roads the Operating Revenues of which amount to, say, \$8,000 per mile, an annual appropriation of from 25 per cent. to 28 per cent. of the gross,

would, under present conditions, be ample. Another rule might be found to apply to such roads as the Central of New Jersey, the Delaware, Lackawanna and Western, etc., to the effect that, where gross earnings exceed \$30,000 per mile, an appropriation of from 18 per cent. to 20 per cent. of gross would be more than sufficient for average maintenance requirements. The mere statement of any "rule" must of necessity be clothed with so many exceptions and modifications as to make one lose sight of the rule itself.

## CHAPTER VIII

## FIXED CHARGES

Under Fixed Charges fall interest on the funded and floating debt, rentals of leased lines, embracing guaranteed dividends, etc., taxes and, in some cases, sinking-fund payments. (The Interstate Commerce Commission has directed that, beginning July 1, 1907, taxes are to be deducted from operating income and not included either in Fixed Charges or in Operating Expenses. In this book taxes are included in Fixed Charges.) The investor should examine the annual report carefully to ascertain whether or not the full interest on all the bonds outstanding at the close of the fiscal period has been charged in the Income Account for the period under review. Another important suggestion which may be made here is that the investor look to ascertain what opportunity there may be attaching to this or that road for future saving in interest charges through refunding. The Chicago, Burlington and Quincy, the Chicago and Northwestern and the Chicago, Milwaukee and St. Paul may likely, through the refunding in the next ten years of high rate interest bearing bonds, save a considerable amount in interest charges.

Very few roads are required to-day to set aside each year from earnings specific amounts for sinking fund purposes. The Chicago, Burlington and Quincy's annual appropriation for sinking funds are to-day relatively larger than that of any other railroad in this country, excepting where annual payments are made in the retirement of short time serial bonds. For the year ending *June 30, 1915*, the sinking fund payments of the Chicago, Burlington and Quincy, amounted to \$1,753,007 for 1914-15. As such ap-

appropriations are in their nature extraordinary, and are used for the retirement of obligations of the company, they must be given due weight in the comparison of the respective earning power of different roads.

As there is of itself little significance in the comparison of the average trainloads or average train miles, and as there is of itself no significance in the comparison of the Operating Ratio of different roads, so, from the investor's standpoint, there is necessarily no significance to be attached to the fact that one road has a bonded debt of \$30,000 per mile, while the bonds outstanding on another road amount to but \$15,000 per mile. Likewise, the fact alone that the fixed charges of one road amount to \$2,000 per mile of road against \$1,000 per mile on another shows by no means that the bonds of the latter are more secure. (Compare Richmond, Fredericksburg and Potomac, page 143, and the Midland Valley Ry., page 173.) The essential consideration here, as in the case of those quasi-fixed charges, the Operating Expenses other than Maintenance, is the ratio which these charges bear to Operating Revenues and the ability of the road to pay these charges. It stands to reason that the New York Central with \$29,900 per mile gross earnings, could more easily provide for the interest on bonds aggregating \$60,000 per mile than could the "Atchison," with \$10,600 per mile gross, provide for interest on a bonded debt of \$30,000 per mile.

It demands no proof to show that fixed charges of \$600 per mile on one road might be a heavier burden on earnings than fixed charges of \$1,000 per mile on another, although in each case the percentage of gross required for these charges is but 20 per cent. Take as Operating Revenues for the first road \$3,000 per mile, and for the second



\$5,000 per mile. Let Operating Expenses other than Maintenance require 35 per cent. of the gross for each road. Here is 55 per cent. of gross consumed by "fixed" charges in each case. The one road has 45 per cent. of \$3,000 per mile, or \$1,350 per mile for maintenance and surplus; the other has 45 per cent. of \$5,000 per mile, or \$2,250 per mile remaining for maintenance and surplus.

As a rule, where, on a basis of earnings such as these have averaged in recent years, the fixed charges of any given road have required less than, say, 22 per cent. of gross income, and where the surplus after the payment of all operating expenses (including liberal outlays for maintenance), have amounted to not less than, say, 17 per cent., of the gross income, the interest on the road's bonds may be considered very secure. It should be noted that this is not the same situation as would be presented were it stated for example, that the interest is secure where the fixed charges require say 50 per cent., or less of the net income, for the reason that operating expenses (including proper outlay for maintenance) might in one case require 90 per cent. of the gross income against 60 per cent. in another case. The fixed charges in the first case might require but 50 per cent. of the net, or 5 per cent. of the gross income; in the second case they might require, likewise, 50 per cent. of the net, or 20 per cent. of the gross income. Should the gross income show a proportional decrease of, say 15 per cent. for each road, other things being equal, one road would show a deficit after fixed charges, while the other road would show a surplus. (Compare Missouri, Kansas & Texas Ry., page 174, and Lehigh Valley R. R., page 77.)

The percentage of fixed charges varies in an inverse ratio with gross earnings.

Observe the following tables wherein are given the income accounts of roads "A" and "B," the figures being stated both in full and reduced to a "per mile" basis.

TABLE I.

	A.		B.	
Miles Operated .....	1,000		1,000	
Operating Revenues .....	\$10,000,000	\$10,000	\$10,000,000	\$10,000
Operating Expenses .....	6,000,000	6,000	6,000,000	6,000
Net Operating Revenues....	4,000,000	4,000	4,000,000	4,000
Fixed Charges .....	2,000,000	2,000	3,000,000	3,000
<i>Ratio of Fixed Charges to</i>				
<i>Gross</i> .....	20%		30%	
Surplus .....	2,000,000	2,000	1,000,000	1,000

## OPERATING EXPENSES.

Maintenance of Way.....	\$1,250,000	\$1,250	\$1,250,000	\$1,250
Maintenance of Equipment..	1,250,000	1,250	1,250,000	1,250
<i>Ratio of Maintenance to</i>				
<i>Gross</i> .....	20%		25%	
Traffic and Transportation..	3,000,000	3,000	3,000,000	3,000
Miscellaneous Operations and				
General Expenses .....	500,000	500	500,000	500
<i>Ratio of Traffic and Other</i>				
<i>Operating Expenses to</i>				
<i>Gross</i> .....	35%		35%	

In the above comparison of the income accounts of roads "A" and "B" the operating expenses are in every respect alike. The fixed charges of road "A" require 20 per cent. of the gross and of road "B" 30 per cent. of the gross. The surplus of "A" amounts to \$2,000,000 and that of "B" to \$1,000,000.

Assume that operating revenues decrease 25 per cent., and that roads "A" and "B" are operated as before at 60

per cent. The income accounts would appear somewhat as follows:

TABLE II.

	A.		B.	
Miles Operated .....	1,000		1,000	
Operating Revenues .....	\$7,500,000	\$7,500	\$7,500,000	\$7,500
Operating Expenses .....	4,500,000	4,500	4,500,000	4,500
Net Operating Revenues.....	3,000,000	3,000	3,000,000	3,000
Fixed Charges .....	2,000,000	2,000	3,000,000	3,000
<i>Ratio of Fixed Charges to Gross.</i>	26.6%		40%	
Surplus .....	1,000,000	1,000	0,000,000	0,000

## OPERATING EXPENSES.

Maintenance of Way .....	\$950,000	\$950	\$950,000	\$950
Maintenance of Equipment.....	700,000	700	700,000	700
<i>Ratio of Maintenance to Gross..</i>	22%		22%	
Traffic and Transportation.....	2,350,000	2,350	2,350,000	2,350
Miscellaneous Operations and General Expenses .....	500,000	500	500,000	500
<i>Ratio of Traffic and Other Operating Expenses to Gross..</i>	38%		38%	

Here Maintenance Expenses are curtailed; Traffic and Transportation Expenses, while requiring a greater percentage of gross, are smaller, due to less business handled; and Miscellaneous Operations and General Expenses remain the same. The fixed charges remain the same and they require 26.6 per cent. of road "A's" gross and 40 per cent. of road "B's" gross. The percentage of gross required for "B's" fixed charges is 10 per cent. greater than in the example given first above, while the percentage required for "A's" fixed charges is about 6.6 per cent. greater than it was before the earnings decreased. Road "A" shows \$1,000,000 surplus, while "B's" surplus is entirely wiped out.

## CHAPTER IX

## STOCK OUTSTANDING IN ITS RELATION TO EARNING POWER

What has gone before shows that a railroad's earning power cannot be measured by the surplus alone. Analysis of the Maintenance Expenses indicates the integrity of the net earnings, and consequently, the integrity of the surplus. Where maintenance is found to be insufficient, the investor knows that earnings must be drawn upon to a greater extent, and that if the gross is not large enough to allow of a greater appropriation, future increases in earnings must be used so far as they may be to bring the maintenance outlay up to fair requirements. Where maintenance is found to be ample or to exceed normal requirements, the investor knows that a future increase in earnings may rightly be reflected in a larger surplus.

A comparison of the results of the Missouri, Kansas and Texas and of the St. Louis Southwestern is instructive as illustrating this point. The maintenance expenses of the former road for years prior to 1900-1 were far below normal requirements, while the St. Louis Southwestern for years charged its expenses very fairly. Owing to its large annual fixed charges the Missouri, Kansas and Texas found it impossible to appropriate a greater percentage of its gross for maintenance. For the year 1900-1 both the Missouri, Kansas and Texas and the St. Louis Southwestern showed large increases in earnings. The greater part of the increase of the Missouri, Kansas and Texas was diverted to the maintenance accounts, while the increase in the earnings of the St. Louis Southwestern was for the most part represented in the net earnings. Many

railroads can safely cause a reduction in their maintenance expenses and thus add largely to their surplus; for example, the maintenance expenses, for 1914, of the Delaware, Lackawanna and Western, and for 1912 and 1913 of the Pittsburgh and Lake Erie were far above the necessary requirements.

It has been demonstrated also in the foregoing chapters that where the Operating Expenses other than Maintenances or where Fixed Charges are a relatively heavy burden on gross earnings, the margin of safety represented in the surplus is relatively small. For exactly those reasons that make greater or less the margin of safety represented in a road's surplus, it follows that the margin of safety for dividends for one road which earns 10 per cent. on its capital stock is necessarily by no means so great as that for another road which also earns 10 per cent. on its stock.

The capital stock of road "A," the Income Account of which was given on page 43 (Table I.), is, let us say, \$20,000,000 and that of "B," \$10,000,000. While each road earned 10 per cent. on its stock, yet it is shown in Table II., page 44, that with like decreases in gross earnings, "A" earned 5 per cent. on its stock and "B" earned nothing at all. So the amount earned on the stock of one road might equal 15 per cent., and yet the margin of safety might not be so great as in the case of another road where but 10 per cent. was earned.

An earning power of 10 per cent. on Mobile and Ohio stock, or on Missouri, Kansas and Texas preferred, means far less as to the margin of safety for dividends than does an earning power of 10 per cent. on Illinois Central stock, Chicago, Burlington and Quincy stock or Louisville and Nashville stock.

In any comparison of the earning power of two roads, it is important to note, in connection with other essential facts, what percentage of the operating revenues is required to pay one per cent. on the stock of each.

The capital stock of the New York, Ontario and Western, which operates about 568 miles of road, is about as large as that of the Chesapeake and Ohio, which operates 2,369 miles of road. The gross earnings of these roads were approximately, \$15,700 and \$16,600 per mile, respectively, for the year ending June 30, 1915. Inasmuch as the total gross earnings of the New York, Ontario and Western for that year was not over 16 per cent. on its capital stock, it must be a long time before the earning power of the road will warrant a high price for the stock.

That the rate of dividends paid on a road's stock does not determine the value of that stock is evidenced as well by the market value of such stocks as Central R. R. of New Jersey and "Lackawanna" as by the comparatively recent market value of such a stock as Seaboard Air Line preferred stock. The value of a stock is usually determined by the earning power or the ability of the road to pay dividends. This earning power is determined not only by the margin of safety represented in the surplus, but also by the stability or lack of stability of the operating revenues. The character of the tonnage and the natural resources and development of the territory traversed are to be considered in their bearing upon the stability of the road's traffic.

Certainly the earnings for any one year cannot be taken as demonstrating a road's ability to pay its interest or to pay dividends. The investor must consider the course of earnings for a series of years as well as the prospects for the future. He must recall, when comparing the earning ca-

capacity of Illinois Central with that of Chesapeake and Ohio, that while each of these roads may be earning 10 per cent. on its present outstanding capital stock, the capital stock of Illinois Central includes about \$50,000,000 stock sold during recent years at par, the proceeds from the sale of which were used for improvements. No part of the present outstanding stock of the Chesapeake and Ohio represents stock sold by the company for cash. Nearly two-thirds of the outstanding capital stock of the Pennsylvania Railroad has been sold for cash during the past fifteen years at considerably above its par value, and over two-thirds of the outstanding common stock of the Baltimore and Ohio has been sold at par. The Chicago, Milwaukee and St. Paul, Great Northern, Canadian Pacific, Chicago and Northwestern, Northern Pacific, Southern Pacific, and many other companies have secured large sums for improvements, etc., by the sale of capital stock.

Finally, it must be said (as has been suggested in what has gone before) that absolute knowledge concerning the value of railroad securities can be gained only by a careful and personal examination of the physical condition of each property, as well as of the traffic relations and advantages and the conditions attaching to the same. In this way knowledge can be gained as to the opportunities presented in each case, both for the better handling of business already secured and for the securing of new business.

## CHAPTER X

GUARANTEES AND THEIR RELATION TO SURPLUS AVAILABLE  
FOR DIVIDENDS

The many consolidations and leases made by railroads in the last few years emphasize yet another consideration, already referred to, which has an important bearing upon the margin of safety represented by the surplus earnings. On the following page are given the income accounts of six railroads (Roads "A," "B," "C," "D," "E," "F"). These income accounts are shown for three distinct periods representing three different conditions of affairs which will here be explained. Each of the roads has a capital stock of \$200,000, and each earned, as shown in the income account (Schedule I.), 10 per cent. on its capital. Road "A," being desirous of extending its sphere of influence or of protecting its existing traffic, arranges for the lease of the other five roads, the rental being in each case 9 per cent. on the capital stock.

The income accounts (Schedule II.) show the result of these leases to the parent road "A" in a prosperous year, when gross earnings were as large as are shown in the income accounts first given (Schedule I.) When road "A" was operated alone 10 per cent. was earned on its capital stock. Its equity in the surplus earnings of the leased lines in the year following the making of the leases was such as to show 5 per cent. additional earned on its original issue of \$200,000 of stock.



## THE EARNING POWER

SCHEDULE I.						
	A	B	C	D	E	F
Operating Revenues..	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Charges .....	80,000	80,000	80,000	80,000	80,000	80,000
Surplus.....	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
SCHEDULE II.						
	A	B	C	D	E	F
Operating Revenues..	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Charges .....	80,000	80,000	80,000	80,000	80,000	80,000
Net.....	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Guarantees.....	00,000	18,000	18,000	18,000	18,000	18,000
Surplus.....	\$20,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
SCHEDULE III.						
	A	B	C	D	E	F
Operating Revenues..	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000
Charges .....	80,000	80,000	80,000	80,000	80,000	80,000
Net.....	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Guarantees.....	00,000	18,000	18,000	18,000	18,000	18,000
Surplus.....	\$15,000	Df.\$3,000	Df.\$3,000	Df.\$3,000	Df.\$3,000	Df.\$3,000

Income accounts (Schedule III.) show operating revenues of roads reduced. The charges against revenues remain the same. Road "A" earned, of itself, \$15,000 or  $7\frac{1}{2}$  per cent. on its stock, but owing to the guarantee of dividends on the other five roads, the deficit of each of these roads amounted to \$3,000. Inasmuch as these losses fall upon road "A" and are suffered by that road's capital stock, it appears that as against 15 per cent. earned upon road "A's" stock in the previous year nothing is earned in the year of smaller earnings.

Had road "A" not assumed obligations to the stockholders of the other roads its surplus earnings in the prosperous year would have equalled but 10 per cent. on its stock against 15 per cent. On the other hand, in the year of smaller earnings the road would have earned  $7\frac{1}{2}$  per cent. on its stock instead of earning nothing at all.

There will be found in the perusal of the income accounts given in this book several examples showing results very similar to those illustrated above.

## CHAPTER XI

## TABLES

Following there are given tables showing, so far as it is possible, for one hundred and sixty railroads in the United States, Canada, Cuba, and South American countries.

1. The Average Mileage Operated, the Gross Earnings (Operating Revenues) and the Surplus for a series of years. Where the road has been reorganized, the figures given are, excepting where stated to the contrary, those of the reorganized property.

Wherever an appropriation of an extraordinary nature (for equipment, betterments or additions) has been deducted from the net revenues as reported by any road, such an appropriation is considered as having been deducted from the surplus earnings. All interest paid on Income Bonds and all dividends paid on stock are also considered as having been appropriated from the surplus earnings.

2. The total Capital Stock and Bonds outstanding and the Stock and Bonds "per mile of road operated."

The Capital Stock and Bonds are stated as they are given in the general balance sheets of the different companies. It must be stated that many railroads do not include in their balance sheets the bonds and stocks of auxiliary and leased companies on which interest and dividends are guaranteed. The Delaware, Lackawanna & Western R. R., for example, does not show in its balance sheet the bonds and guaranteed stock of the Morris & Essex R. R. Co. and other leased roads, while in the case of the St. Louis and San Francisco the general balance sheet shows among the liabilities, outstanding securities of auxiliary and leased companies. In the final analysis, however, so

far as the stockholder is concerned, the result as to margin for dividends is not changed by this different method of bookkeeping, for whether or not the balance sheet shows these obligations, the interest and guaranteed dividends must be paid each year before the stockholder may receive dividends. It is because of this lack of uniformity that the fixed charges cannot be reckoned even approximately from the statement of the company's bonds as shown in the balance sheet. The item of "rentals" in the "fixed charges" is often many times greater than the item "interest on company's bonds." Therefore in the statistical pages which follow, the amounts included in the fixed charges as "rentals paid" are stated immediately after the statement of capitalization.

Under Capital Stock are usually included Income Bonds. In the statements of capitalization there is given under Capital Stock the amount outstanding at the close of the last fiscal year for which an official report has been issued.

Under Bonds there is given, in each of the tables, the amounts of bonds outstanding at the close of the last fiscal year for which an official report has been issued. Bonds outstanding include in some cases bonds held alive in Sinking Funds and bonds held among Treasury Assets.

The Bonds and Capital Stock are given "per mile of road operated" as it is believed that general comparisons can be made more readily on that basis than is possible where the capitalization is reduced to a basis "per mile of road owned."

3. The Income Account for the last fiscal year for which an official report has been issued. Included in Other Income are all dividends on stocks owned, interest on bonds owned, rentals received, credit balance from hire of freight



Income accounts (Schedule III.) show operating revenues of roads reduced. The charges against revenues remain the same. Road "A" earned, of itself, \$15,000 or  $7\frac{1}{2}$  per cent. on its stock, but owing to the guarantee of dividends on the other five roads, the deficit of each of these roads amounted to \$3,000. Inasmuch as these losses fall upon road "A" and are suffered by that road's capital stock, it appears that as against 15 per cent. earned upon road "A's" stock in the previous year nothing is earned in the year of smaller earnings.

Had road "A" not assumed obligations to the stockholders of the other roads its surplus earnings in the prosperous year would have equalled but 10 per cent. on its stock against 15 per cent. On the other hand, in the year of smaller earnings the road would have earned  $7\frac{1}{2}$  per cent. on its stock instead of earning nothing at all.

There will be found in the perusal of the income accounts given in this book several examples showing results very similar to those illustrated above.

railroads possess in the undivided surplus earnings of the subsidiary railroads.

The fact that large purchases have been made by many of the railroads of the securities of other railroads is alone sufficient to emphasize the importance which the proprietorship of these securities has as a factor in determining the investment value of the stocks and bonds, not only of the controlling railroads, but also of the controlled railroads themselves. *As the facts regarding the ownership of securities as well as other equally important matters are given in the Notes, the Notes should be used concurrently with the statistical Tables.*

*Note: Owing to the completion of the Panama Canal and to other reasons, the attention of the public is being drawn to the American Countries other than the United States and Canada, as fields for investment, etc. For this reason we have included in this edition the statements of several railroad systems located in Cuba and Central and South America, notably Argentine Republic, in which latter country railroad development has made very rapid progress during recent years.*

The tabulations in this book covering the years prior to 1914-15 are almost without exception based on data taken from the original official annual reports of the railroad companies.

# OF RAILROADS

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## SUMMARY OF RAILWAY RETURNS.

(Railways having annual Operating Revenues above \$1,000,000; duplications resulting from intercorporate relations not excluded).

Year	Avg. Miles Oper.	Gross	Surplus
1913-14	.....	\$3,029,914,285	\$347,064,707
1914-15	228,331	2,870,913,815	312,990,025

The information contained on this page is largely obtained from bulletin "Summary of Railway Returns" published by the Bureau of Railway Economics.

STOCK OUTSTANDING		BONDS OUTSTANDING	
June 30, 1915		June 30, 1915	
Common	\$5,385,863,735	Mortgage Bonds	\$6,551,452,937
*Preferred (1st)	1,200,303,579	Collateral Bonds	1,095,537,082
Preferred (2d)	218,616,584	Equipment	353,425,375
Income Bonds	217,595,623	Debtenture Stock	9,927,340
		Miscellaneous	1,045,468,413

\*Where a Company has only one class of preferred stock same is here included.

CAPITALIZATION		
	Total	Per Mile
Stock and Income Bonds	\$7,022,379,521	\$30,755
Bonds	0,055,811,167	30,660
Total	16,078,190,688	70,415

Fixed Charges below includes Interest on Income Bonds.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915		
	Total	Per Mile
Average miles operated, 228,331.		
Operating Revenues	\$2,870,913,815	\$12,573
Operating Expenses	2,020,823,033	8,850
Net Operating Revenues	850,090,782	3,723
Other Income	280,243,235	1,047
Gross Corporate Income	1,080,333,097	4,770
Fixed Charges (including for Taxes, \$133,219,086)	776,343,072	3,400
*Surplus	312,990,025	1,370

OPERATING EXPENSES		
	Total	Per Mile
Maintenance of Way	\$363,002,910	\$1,594
Maintenance of Equipment	456,660,194	2,175
Traffic Expenses	59,394,183	260
Transportation Expenses (incl. \$8,173,995 Water Lines)	11,063,847,000	4,390
Miscellaneous Operations and General Expenses	97,012,857	425

Ratio of Operating Expenses to Operating Revenues, 70.4 per cent.

\*This Surplus before deducting \$20,807,042 for Additions and Betterments (Investment in Physical Property).

†After deducting \$6,945,155 Transportation for Investment.—C7.

APPROPRIATION OF GROSS INCOME		1914-15
For Maintenance Expenses	.....	27.7%
For Traffic, Transportation and General Expenses	.....	37.3%
For Fixed Charges	.....	24.0%
For Surplus	.....	10.1%
		100.0%
		1914-15
Ton miles per mile of road	.....	1,198,955
Passenger miles per mile of road	.....	139,533
Miles, second and additional main track	.....	35,449
Miles, yards and sidings	.....	94,997



## THE EARNING POWER

## BANGOR &amp; AROOSTOOK R. R.

Year	Avg. Miles		Gross	Surplus	Avg. Miles		Gross	Surplus
	Oper.				Year	Oper.		
1899-0	364		\$1,230,423	\$132,141	1907-8	501	\$2,844,082	\$106,919
1900-1	370		1,449,454	129,608	1908-9	515	2,818,444	143,475
1901-2	371		1,708,937	172,973	1909-10	530	2,990,530	351,179
1902-3	401		1,800,168	148,375	1910-11	613	3,172,112	162,636
1903-4	428		2,015,356	196,344	1911-12	631	3,345,241	63,557
1904-5	428		2,159,072	230,989	1912-13	631	3,252,421	*84,307
1905-6	455		2,496,547	299,773	1913-14	631	3,795,413	206,781
1906-7	482		3,221,696	296,291	1914-15	631	3,747,974	226,490

\*Deficit.

STOCK OUTSTANDING		BONDS OUTSTANDING	
June 30, 1915.		June 30, 1915.	
Common	\$3,448,600	Fixed Interest	\$23,520,000
		Equipment	429,000
Loans and Bills Payable	June 30, 1915, \$1,500,000.		

## CAPITALIZATION

	Total	Per Mile
Stock	\$3,448,600	\$5,465
Bonds	23,949,000	37,954
Total	27,397,600	43,419

Fixed Charges below include \$10,900 Amortization of Discount on Funded Debt and \$4,760 Loss from Outside Operations.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 631.		
Operating Revenues	\$3,747,974	\$5,940
Operating Expenses	2,340,960	3,710
Net Operating Revenues	1,407,014	2,230
Other Income (Incl. \$181,074 Hire of Equipment)	203,307	322
Gross Corporate Income	1,610,321	2,552
Fixed Charges (Including for Taxes, \$129,917)	1,383,331	2,193
Surplus	226,490	359

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$513,417	\$814
Maintenance of Equipment	577,342	915
Traffic Expenses	30,643	49
Transportation Expenses	1,079,643	1,711
General Expenses	139,915	221

Ratio of Operating Expenses to Operating Revenues, 62.5 per cent.  
Other Income above includes \$8,244 from Rentals.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	27.6%	25.8%	26.2%	25.7%	26.0%	24.7%
For Traffic and Other Operating Expenses	31.7%	35.0%	37.9%	35.8%	33.8%	31.7%
For Fixed Charges	35.0%	34.0%	33.4%	36.7%	35.4%	32.5%
For Surplus	5.7%	5.2%	Deficit	1.8%	4.8%	11.1%
	100.0%	100.0%		100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	376,174	383,055	339,306	357,187
Passenger miles per mile of road	41,338	44,752	43,049	44,206
Miles, second and additional main track	30	24	30	30
Miles, yards and sidings	206	200	199	198

See Notes, page 218.

BOSTON & MAINE R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1901-2	2,266	\$31,606,322	\$1,736,736	1908-9	*2,243	\$39,528,698	\$2,387,603
1902-3	2,230	33,537,491	1,793,906	1909-10	*2,243	43,357,175	2,850,632
1903-4	2,235	34,705,230	1,849,466	1910-11	*2,243	44,815,084	355,988
1904-5	2,888	36,017,074	1,883,872	1911-12	*2,244	45,990,344	1,290,248
1905-6	2,237	38,962,437	2,051,920	1912-13	*2,252	48,513,507	49,697
1906-7	2,288	40,879,653	2,599,196	1913-14	*2,252	47,413,906	†2,044,742
1907-8	*2,242	38,990,749	751,466	1914-15	*2,252	46,673,049	†334,462

\*Does not include Electric Lines (50 miles). †Deficit.

STOCK OUTSTANDING

June 30, 1915.

Common	\$39,506,391
Preferred (6%)	3,149,800
Stock per mile of road operated	\$18,949

BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	\$43,338,000
*Notes	17,336,000

\*As compared with \$24,310,000 Notes outstanding June 30, 1914, and \$27,000,000 outstanding June 30, 1913. See Notes as to offer to extend these Notes or to extend a portion of the Notes and exchange the balance of the same for Maine Railway Notes secured by and convertible into Maine Central R. R. Stock.

Fixed Charges below include \$5,589,405 for Rentals of Leased Lines, \$3,178 for Other Rentals, \$1,503,589 for Hire of Equipment and \$28,785 Sinking Fund Payments.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 2,252		
Operating Revenues	\$46,673,049	\$20,735
Operating Expenses	35,909,772	15,946
Net Operating Revenues	10,763,277	4,779
Other Income (including \$308,895 from Rentals)	1,204,474	535
Gross Corporate Income	11,967,751	5,314
Fixed Charges (including for Taxes, \$1,978,203)	12,302,213	5,463
Deficit	334,462	149

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$7,195,081	\$3,195
Maintenance of Equipment	6,695,420	2,973
Traffic Expenses	448,690	197
Transportation Expenses (including \$15,761 Water Lines)	20,193,692	8,987
*Miscellaneous Operations and General Expenses	1,381,889	614
Ratio of Operating Expenses to Operating Revenues, 76.9 per cent.		
Other Income above includes \$438,228 Income from Stocks and Funded Debt owned and \$318,087 from Hire of Equipment.		

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	29.0%	29.0%	26.3%	26.1%	26.9%	24.2%
For Traffic and Other Operating Expenses	46.0%	59.0%	49.8%	48.6%	49.9%	46.7%
For Fixed Charges	25.7%	26.2%	23.8%	22.6%	22.4%	22.6%
For Surplus	Deficit	Deficit	0.1%	2.7%	0.8%	6.5%
			100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,073,028	1,171,327	1,208,347	1,066,688
Passenger miles per mile of road	377,436	338,031	401,447	392,487
Miles, second and additional main track	601	601	601	600
Miles, yards and sidings	1,354	1,353	1,343	1,309

See Notes, Page 220.

## CENTRAL VERMONT RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1900-1	513	\$3,262,134	\$2,804	1907-8	536	\$3,740,760	\$3,558
1901-2	531	3,406,432	3,099	1908-9	536	3,795,332	3,117
1902-3	531	3,636,382	3,562	1909-10	536	4,088,411	24,774
1903-4	531	3,524,291	2,645	1910-11	536	4,337,644	90,261
1904-5	531	3,557,776	3,669	1911-12	536	4,435,832	12,968
1905-6	536	3,836,976	4,516	1912-13	536	4,577,590	*9,796
1906-7	536	3,833,088	1,812	1913-14	536	4,500,111	†259,258
				1914-15	536	4,210,411	15,418

\*Deficit. †Deficit: this amount, \$259,258, was advanced to the company by the Grand Trunk Railway as per Guarantee.

## STOCK OUTSTANDING

June 30, 1915.

Common .....\$3,000,000

## BONDS OUTSTANDING

June 30, 1915.

\*Fixed Interest .....\$11,785,000

Equipment .....780,000

\*Includes \$1,018,000 Bonds in Treasury, of which \$976,000 are pledged as security for Bills Payable, Loans and Bills Payable, June 30, 1915, \$6,763,942.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$3,000,000	\$5,697
Bonds .....	12,565,000	23,442
Total .....	15,565,000	29,039

Fixed Charges below include \$216,553 for Rent of Leased roads and \$35,086 (net) for Hire of Equipment. Net figures are given in the calculation of Fixed Charges and the report is not clear as regards certain important items. Interest on Unfunded Debt is stated as amounting to \$314,200, which sum is offset by income reported as \$314,646 from "Unfunded Securities and Accounts."

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 536		
Operating Revenues .....	\$4,210,411	\$7,865
Operating Expenses .....	3,300,288	6,157
Net Operating Revenues .....	910,143	1,698
Other Income (including \$6,868 from Rentals, net)....	73,083	137
Gross Corporate Income .....	983,226	1,835
Fixed Charges (including for Taxes, \$190,219).....	967,808	1,806
Surplus .....	15,418	29

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$566,995	\$1,058
Maintenance of Equipment .....	628,000	1,171
Traffic Expenses .....	108,151	202
Transportation Expenses .....	1,878,527	3,505
Miscellaneous Operations and General Expenses....	118,595	221

Ratio of Operating Expenses to Operating Revenues 78.4 per cent.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	27.9%	32.8%	27.9%	25.4%	26.2%	31.0%
For Traffic and Other Operating Expenses .....	49.1%	51.1%	50.9%	50.7%	48.0%	45.1%
For Fixed Charges .....	22.6%	21.6%	21.4%	23.6%	23.7%	23.3%
For Surplus .....	0.4%	Deficit	Deficit	0.3%	2.1%	0.8%
	100.0%			100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Tons miles per mile of road.....	545,901	617,801	594,699	577,435
Passenger miles per mile of road....	78,612	93,015	101,743	94,319
Miles, second and additional main track .....	6	6	6	6
Miles, yards and sidings.....	167	166	165	164

See Notes, Page 224.

MAINE CENTRAL R. R.

Year	Avg. Miles		Year	Avg. Miles	
	Oper.	Gross		Oper.	Gross
1901-2	816	\$6,194,304	1908-9	932	\$8,337,723
1902-3	816	6,541,180	1909-10	932	8,922,312
1903-4	816	6,773,560	1910-11	932	9,067,803
1904-5	816	7,099,219	1911-12	*1,192	*10,643,051
1905-6	816	7,658,655	1912-13	*1,205	*11,331,406
1906-7	845	8,200,630	1913-14	*1,207	*11,685,969
1907-8	931	8,514,256	1914-15	*1,216	*11,350,423

\*Includes Portland & Rumford Falls Ry., leased May, 1907; also Somerset Ry. and Washington County R. R. merged July 1, 1911.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
*Common	\$24,888,767	Fixed Interest	\$6,661,500
Stock per mile of road operated	\$20,468	Notes (5%) due 1913	6,000,000

\*Includes about \$15,000,000 Stock sold to Stockholders at par in 1912-13. In March, 1913, \$12,000,000 Coupon Notes (4%) were retired.

Fixed Charges below include \$903,091 for Rentals of Leased Roads, \$126,068 for Other Rental, \$117,370 Hire of Equipment and \$49,338 for Improvements on Leased Roads.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,216.		
Operating Revenues	\$11,350,423	\$9,334
Operating Expenses	8,143,965	6,697
Net Operating Revenues	3,206,458	2,637
Other Income	806,578	663
Gross Corporate Income	4,013,036	3,300
Fixed Charges (including for Taxes, \$644,735)	2,394,956	1,969
*Surplus	1,618,080	1,331

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,630,530	\$1,341
Maintenance of Equipment	1,745,053	1,435
Traffic Expenses	135,734	112
Transportation Expenses (incl. \$61,251 Water Lines)	4,244,391	3,490
General Expenses	388,257	319

Ratio of Operating Expenses to Operating Revenues, 71.7 per cent.

\*This Surplus before deducting \$40,051 Income applied to Sinking and other Reserve Funds. Other Income above includes \$157,863 from Equipment Rentals and \$479,553 from Dividend Income.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	27.8%	28.7%	29.6%	30.7%	29.0%	28.5%
For Traffic and Other Operating Expenses	39.2%	41.4%	41.4%	40.5%	40.1%	38.6%
For Fixed Charges	19.7%	18.8%	19.4%	23.9%	26.4%	25.6%
For Surplus	13.3%	11.1%	9.6%	4.9%	4.5%	7.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	538,022	587,319	544,690	513,855
Passenger miles per mile of road	114,229	133,431	139,950	135,354
Miles, second and additional main track		78	76	76
Miles, yards and sidings		378	372	364

See Notes, Page 224.

## CHAPTER XI

## TABLES

Following there are given tables showing, so far as it is possible, for one hundred and sixty railroads in the United States, Canada, Cuba, and South American countries.

1. The Average Mileage Operated, the Gross Earnings (Operating Revenues) and the Surplus for a series of years. Where the road has been reorganized, the figures given are, excepting where stated to the contrary, those of the reorganized property.

Wherever an appropriation of an extraordinary nature (for equipment, betterments or additions) has been deducted from the net revenues as reported by any road, such an appropriation is considered as having been deducted from the surplus earnings. All interest paid on Income Bonds and all dividends paid on stock are also considered as having been appropriated from the surplus earnings.

2. The total Capital Stock and Bonds outstanding and the Stock and Bonds "per mile of road operated."

The Capital Stock and Bonds are stated as they are given in the general balance sheets of the different companies. It must be stated that many railroads do not include in their balance sheets the bonds and stocks of auxiliary and leased companies on which interest and dividends are guaranteed. The Delaware, Lackawanna & Western R. R., for example, does not show in its balance sheet the bonds and guaranteed stock of the Morris & Essex R. R. Co. and other leased roads, while in the case of the St. Louis and San Francisco the general balance sheet shows among the liabilities, outstanding securities of auxiliary and leased companies. In the final analysis, however, so

far as the stockholder is concerned, the result as to margin for dividends is not changed by this different method of bookkeeping, for whether or not the balance sheet shows these obligations, the interest and guaranteed dividends must be paid each year before the stockholder may receive dividends. It is because of this lack of uniformity that the fixed charges cannot be reckoned even approximately from the statement of the company's bonds as shown in the balance sheet. The item of "rentals" in the "fixed charges" is often many times greater than the item "interest on company's bonds." Therefore in the statistical pages which follow, the amounts included in the fixed charges as "rentals paid" are stated immediately after the statement of capitalization.

Under Capital Stock are usually included Income Bonds. In the statements of capitalization there is given under Capital Stock the amount outstanding at the close of the last fiscal year for which an official report has been issued.

Under Bonds there is given, in each of the tables, the amounts of bonds outstanding at the close of the last fiscal year for which an official report has been issued. Bonds outstanding include in some cases bonds held alive in Sinking Funds and bonds held among Treasury Assets.

The Bonds and Capital Stock are given "per mile of road operated" as it is believed that general comparisons can be made more readily on that basis than is possible where the capitalization is reduced to a basis "per mile of road owned."

3. The Income Account for the last fiscal year for which an official report has been issued. Included in Other Income are all dividends on stocks owned, interest on bonds owned, rentals received, credit balance from hire of freight

cars and rent of equipment, etc., and, in the case of a few railroads, profits of coal companies.

Under Fixed Charges are included interest on funded and floating debt, rentals, taxes, net hire and rental of equipment, etc. The amounts paid for rentals and included in Fixed Charges are stated.

4. The Operating Expenses are stated, subdivided as follows: (a) Maintenance of Way; (b) Maintenance of Equipment; (c) Traffic Expenses; (d) Transportation Expenses; (e) Miscellaneous Operations, and General Expenses. As in the table showing the earnings and disbursements, these expenses are given reduced to a "per mile" basis. The ratio which the operating expenses bear to the operating revenues for the year given is also stated.

5. The proportion of the Gross *Income* represented in (a) Maintenance Expenses, (b) Traffic and other Operating Expenses, (c) Fixed Charges and (d) Surplus.

6. The "ton miles per mile of road" and the "passenger miles per mile of road." In arriving at these figures an effort has been made to disregard the tons of company's freight carried.

7. The miles of second and additional main tracks and the miles of yards and sidings.

*Numerous notes are included in the Table pages; these notes are self-explanatory.*

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In conclusion it may be said that an earnest effort has been made in the compilation of the following tables to arrange the same so that trustworthy comparisons may be made respecting the earning power of the different roads.

## COMMENT

The following pages are devoted, firstly (pp. 57 to 217 inclusive), to the presentation in table form of important statistics, showing the range of earnings of the railroads over a series of years, their capitalization, income accounts, etc., as described in Chapter XI; and secondly (p. 218 and following), to the Notes wherein are given other important facts concerning the capitalization, the dividends, the appropriations for improvements, the securities and lands owned, the character of the rail used, etc.

It is important that reference be made to the Notes in connection with the use of the statistical Tables, for not only do the Notes serve to illustrate and supplement the facts given in the Tables, but also in many instances they contain facts which are essential to the proper understanding of the figures given in the Tables. For example, the bonds and stock outstanding of the New York Central & Hudson River R. R. and of the Pennsylvania R. R. include large amounts issued for the purpose of acquiring securities of other railroads, operated separately; the Notes show that the New York Central & Hudson River R. R. owns a large majority of the capital stock of the Cleveland, Cincinnati, Chicago & St. Louis Ry., the Michigan Central R. R., etc., and that the Pennsylvania R. R. owns all the capital stock of the Pennsylvania Co. and practically all the stock of the Philadelphia, Baltimore & Washington R. R., etc. By reference, therefore, to the Notes, information is found which, used in connection with the Tables giving the income accounts of these controlled railroads, will show the extent of the equities which the controlling



railroads possess in the undivided surplus earnings of the subsidiary railroads.

The fact that large purchases have been made by many of the railroads of the securities of other railroads is alone sufficient to emphasize the importance which the proprietorship of these securities has as a factor in determining the investment value of the stocks and bonds, not only of the controlling railroads, but also of the controlled railroads themselves. *As the facts regarding the ownership of securities as well as other equally important matters are given in the Notes, the Notes should be used concurrently with the statistical Tables.*

*Note: Owing to the completion of the Panama Canal and to other reasons, the attention of the public is being drawn to the American Countries other than the United States and Canada, as fields for investment, etc. For this reason we have included in this edition the statements of several railroad systems located in Cuba and Central and South America, notably Argentine Republic, in which latter country railroad development has made very rapid progress during recent years.*

The tabulations in this book covering the years prior to 1914-15 are almost without exception based on data taken from the original official annual reports of the railroad companies.

## SUMMARY OF RAILWAY RETURNS.

(Railways having annual Operating Revenues above \$1,000,000; duplications resulting from intercorporate relations not excluded).

Year	Avg. Miles Oper.	Gross	Surplus
1913-14		\$3,029,914,285	\$347,684,707
1914-15	228,331	2,870,913,815	312,990,025

The information contained on this page is largely obtained from bulletin "Summary of Railway Returns" published by the Bureau of Railway Economics.

## STOCK OUTSTANDING

## BONDS OUTSTANDING

	June 30, 1915		June 30, 1915
Common	\$5,385,863,735	Mortgage Bonds	\$6,551,452,937
*Preferred (1st)	1,200,303,579	Collateral Bonds	1,095,537,092
Preferred (2d)	218,816,594	Equipment	353,425,375
Income Bonds	317,595,628	Debenture Stock	9,927,340
		Miscellaneous	1,045,468,413

\*Where a Company has only one class of preferred stock same is here included.

## CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$7,022,379,521	\$30,755
Bonds	9,055,811,167	39,660
Total	16,078,190,688	70,415

Fixed Charges below includes Interest on Income Bonds.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 228,331		
Operating Revenues	\$2,870,913,815	\$12,573
Operating Expenses	2,020,823,953	8,850
Net Operating Revenues	850,089,862	3,723
Other Income	289,243,235	1,047
Gross Corporate Income	1,089,333,097	4,770
Fixed Charges (including for Taxes, \$133,219,085)	776,343,072	3,400
*Surplus	312,990,025	1,370

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$363,902,819	\$1,584
Maintenance of Equipment	496,666,194	2,175
Traffic Expenses	59,394,183	260
Transportation Expenses (incl. \$8,173,995 Water Lines)	1,008,847,900	4,396
Miscellaneous Operations and General Expenses	97,012,857	425

Ratio of Operating Expenses to Operating Revenues, 70.4 per cent.

\*This Surplus before deducting \$20,807,642 for Additions and Betterments (Investment in Physical Property).

†After deducting \$6,945,165 Transportation for Investment.—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses	27.7%
For Traffic, Transportation and General Expenses	37.3%
For Fixed Charges	24.3%
For Surplus	10.1%
	100.0%
	1914-15
Ton miles per mile of road	1,198,955
Passenger miles per mile of road	139,533
Miles, second and additional main track	38,449
Miles, yards and sidings	94,997

## THE EARNING POWER

## BANGOR &amp; AROOSTOOK R. R.

Year	Avg. Miles		Gross	Surplus	Avg. Miles		Gross	Surplus
	Oper.				Year	Oper.		
1899-0	364		\$1,230,423	\$132,141	1907-8	501	\$2,844,082	\$106,919
1900-1	370		1,449,454	129,608	1908-9	515	2,818,444	143,475
1901-2	371		1,708,937	172,973	1909-10	530	2,990,530	351,179
1902-3	401		1,800,168	148,375	1910-11	618	3,172,112	162,636
1903-4	428		2,015,356	196,344	1911-12	631	3,345,241	63,557
1904-5	428		2,159,072	230,989	1912-13	631	3,252,421	*84,307
1905-6	455		2,496,547	299,773	1913-14	631	3,795,413	205,781
1906-7	482		3,221,696	296,291	1914-15	631	3,747,974	226,490

\*Deficit.

## STOCK OUTSTANDING

June 30, 1915.	
Common	\$3,448,600
Loans and Bills Payable	June 30, 1915, \$1,500,000.

## BONDS OUTSTANDING

June 30, 1915.	
Fixed Interest	\$23,520,000
Equipment	429,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$3,448,600	\$5,465
Bonds	23,949,000	37,954
Total	27,397,600	43,419

Fixed Charges below include \$10,900 Amortization of Discount on Funded Debt and \$4,760 Loss from Outside Operations.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 631.		
Operating Revenues	\$3,747,974	\$5,940
Operating Expenses	2,340,960	3,710
Net Operating Revenues	1,407,014	2,230
Other Income (incl. \$181,074 Hire of Equipment)	203,307	322
Gross Corporate Income	1,610,321	2,552
Fixed Charges (including for Taxes, \$129,917)	1,383,331	2,193
Surplus	226,490	359

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$513,417	\$814
Maintenance of Equipment	577,342	915
Traffic Expenses	30,643	49
Transportation Expenses	1,079,643	1,711
General Expenses	139,915	221
Ratio of Operating Expenses to Operating Revenues, 62.5 per cent.		
Other Income above includes \$8,244 from Rentals.		

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	37.6%	25.8%	26.2%	25.7%	26.0%	24.7%
For Traffic and Other Operating Expenses	31.7%	35.0%	37.9%	35.8%	33.8%	31.7%
For Fixed Charges	35.0%	34.0%	33.4%	36.7%	35.4%	32.5%
For Surplus	5.7%	5.2%	Deficit	1.8%	4.8%	11.1%
	100.0%	100.0%		100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	376,174	383,055	339,306	357,187
Passenger miles per mile of road	41,338	44,752	43,049	44,206
Miles, second and additional main track	30	24	30	30
Miles, yards and sidings	206	200	199	198

See Notes, page 218.

**BOSTON & MAINE R. R.**

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1901-2	2,265		\$31,606,322	\$1,736,726	1908-9	*2,243		\$39,528,698	\$2,387,908
1902-3	2,280		33,537,491	1,733,908	1909-10	*2,243		45,357,176	2,850,622
1903-4	2,285		34,705,230	1,849,466	1910-11	*2,243		44,815,084	355,988
1904-5	2,288		36,017,074	1,883,572	1911-12	*2,244		46,990,394	1,290,248
1905-6	2,287		38,962,437	2,051,920	1912-13	*2,252		48,513,507	49,697
1906-7	2,288		40,879,653	2,599,196	1913-14	*2,252		47,413,906	†2,044,742
1907-8	*2,242		38,990,749	751,496	1914-15	*2,252		46,673,049	†334,462

\*Does not include Electric Lines (50 miles). †Deficit.

**STOCK OUTSTANDING**

June 30, 1915.

Common	\$89,506,391
Preferred (6%)	3,149,800
Stock per mile of road operated	\$18,949

**BONDS OUTSTANDING**

June 30, 1915.

Fixed Interest	\$43,338,000
*Notes	17,336,000

\*As compared with \$24,310,000 Notes outstanding June 30, 1914, and \$27,000,000 outstanding June 30, 1913. See Notes as to offer to extend these Notes or to extend a portion of the Notes and exchange the balance of the same for Maine Railway Notes secured by and convertible into Maine Central R. R. Stock.

Fixed Charges below include \$5,589,405 for Rentals of Leased Lines, \$8,178 for Other Rentals, \$1,503,589 for Hire of Equipment and \$28,785 Sinking Fund Payments.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

	Total	Per Mile
Average miles operated, 2,252		
Operating Revenues	\$46,673,049	\$20.725
Operating Expenses	35,909,772	15.946
Net Operating Revenues	10,763,277	4.779
Other Income (including \$308,895 from Rentals)	1,204,474	5.335
Gross Corporate Income	11,967,751	5.314
Fixed Charges (including for Taxes, \$1,973,203)	12,302,213	5.463
Deficit	334,463	149

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$7,195,081	\$3.195
Maintenance of Equipment	6,695,420	2.973
Traffic Expenses	443,630	197
Transportation Expenses (including \$15,761 Water Lines)	20,193,692	8.967
*Miscellaneous Operations and General Expenses	1,381,889	614
Ratio of Operating Expenses to Operating Revenues, 76.9 per cent.		
Other Income above includes \$438,228 Income from Stocks and Funded Debt owned and \$318,087 from Hire of Equipment.		

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	29.0%	29.0%	26.3%	26.1%	26.9%	24.2%
For Traffic and Other Operating Expenses	46.0%	59.0%	49.8%	48.6%	49.9%	46.7%
For Fixed Charges	25.7%	26.2%	23.8%	22.8%	22.4%	22.6%
For Surplus		Deficit	Deficit	0.1%	2.7%	0.8%
				100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,073,028	1,171,327	1,208,347	1,096,698
Passenger miles per mile of road	377,456	338,081	401,447	392,487
Miles, second and additional main track	601	601	601	600
Miles, yards and sidings	1,354	1,353	1,343	1,309

See Notes, Page 220.

## CENTRAL VERMONT RY.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1900-1	513		\$3,262,124	\$2,804	1907-8	536		\$3,740,760	\$3,568
1901-2	531		3,406,432	3,099	1908-9	536		3,795,332	3,117
1902-3	531		3,636,332	3,562	1909-10	536		4,088,411	24,774
1903-4	531		3,524,291	2,645	1910-11	536		4,337,644	90,261
1904-5	531		3,557,776	3,669	1911-12	536		4,435,832	12,968
1906-6	536		3,836,976	4,516	1912-13	536		4,577,580	*9,796
1906-7	536		3,833,088	1,613	1918-14	536		4,500,111	†259,258
					1914-15	536		4,210,411	15,418

\*Deficit. †Deficit: this amount, \$259,258, was advanced to the company by the Grand Trunk Railway as per Guarantee.

## STOCK OUTSTANDING

June 30, 1915.

Common .....\$3,000,000

## BONDS OUTSTANDING

June 30, 1915.

Fixed Interest .....\$11,785,000

Equipment .....780,000

\*Includes \$1,018,000 Bonds in Treasury, of which \$976,000 are pledged as security for Bills Payable, Loans and Bills Payable, June 30, 1915, \$6,763,942.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$3,000,000	\$5,997
Bonds .....	12,585,000	23,442
Total .....	15,585,000	29,039

Fixed Charges below include \$216,553 for Rent of Leased roads and \$35,086 (net) for Hire of Equipment. Net figures are given in the calculation of Fixed Charges and the report is not clear as regards certain important items. Interest on Unfunded Debt is stated as amounting to \$314,200, which sum is offset by income reported as \$314,646 from "Unfunded Securities and Accounts."

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 536.		
Operating Revenues .....	\$4,210,411	\$7,856
Operating Expenses .....	3,300,268	6,157
Net Operating Revenues .....	910,143	1,698
Other Income (including \$6,868 from Rentals, net)....	73,083	137
Gross Corporate Income .....	983,226	1,835
Fixed Charges (including for Taxes, \$190,219).....	967,808	1,806
Surplus .....	15,418	29

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$566,995	\$1,058
Maintenance of Equipment .....	628,000	1,171
Traffic Expenses .....	108,151	202
Transportation Expenses .....	1,878,527	3,505
Miscellaneous Operations and General Expenses....	118,595	221

Ratio of Operating Expenses to Operating Revenues 78.4 per cent.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	27.9%	32.8%	27.9%	25.4%	26.2%	31.0%
For Traffic and Other Operating Expenses .....	49.1%	51.1%	50.9%	50.7%	48.0%	45.1%
For Fixed Charges .....	22.6%	21.6%	21.4%	23.6%	23.7%	23.3%
For Surplus .....	0.4%	Deficit	Deficit	0.3%	2.1%	0.6%
	100.0%			100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Tons miles per mile of road.....	545,901	617,801	594,699	577,435
Passenger miles per mile of road....	78,612	93,015	101,743	94,319
Miles, second and additional main track .....	6	6	6	6
Miles, yards and sidings.....	167	166	165	164

See Notes, Page 224.

MAINE CENTRAL R. R.

Year	Avg. Miles		Year	Avg. Miles	
	Oper.	Gross		Oper.	Gross
1901-2	816	\$6,194,304	1908-9	932	\$8,337,723
1902-3	816	6,541,100	1909-10	932	8,922,312
1903-4	816	6,773,560	1910-11	932	9,067,803
1904-5	816	7,099,219	1911-12	*1,192	*10,643,051
1905-6	816	7,655,655	1912-13	*1,205	*11,331,406
1906-7	845	8,200,630	1913-14	*1,207	*11,685,969
1907-8	931	8,514,256	1914-15	*1,216	*11,350,423

\*Includes Portland & Rumford Falls Ry., leased May, 1907; also Somerset Ry. and Washington County R. R. merged July 1, 1911.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
*Common	\$24,888,767	Fixed Interest	\$6,661,500
Stock per mile of road operated	\$20,468	Notes (5%) due 1919	6,000,000

\*Includes about \$15,000,000 Stock sold to Stockholders at par in 1912-13. In March, 1913, \$12,000,000 Coupon Notes (4%) were retired. Fixed Charges below include \$903,091 for Rentals of Leased Roads, \$126,068 for Other Rental, \$117,370 Hire of Equipment and \$49,338 for Improvements on Leased Roads.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,216.		
Operating Revenues	\$11,350,423	\$9,334
Operating Expenses	8,143,965	6,697
Net Operating Revenues	3,206,458	2,637
Other Income	806,578	663
Gross Corporate Income	4,013,036	3,800
Fixed Charges (including for Taxes, \$614,785)	2,394,956	1,969
*Surplus	1,618,080	1,331

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,630,530	\$1,341
Maintenance of Equipment	1,745,053	1,435
Traffic Expenses	135,734	112
Transportation Expenses (incl. \$61,251 Water Lines)	4,244,331	3,490
General Expenses	388,257	319

Ratio of Operating Expenses to Operating Revenues, 71.7 per cent.

\*This Surplus before deducting \$40,051 Income applied to Sinking and other Reserve Funds. Other Income above includes \$157,863 from Equipment Rentals and \$479,553 from Dividend Income.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	27.8%	28.7%	29.6%	30.7%	29.0%	28.5%
For Traffic and Other Operating Expenses	39.2%	41.4%	41.4%	40.5%	40.1%	38.6%
For Fixed Charges	19.7%	18.8%	19.4%	23.9%	26.4%	25.9%
For Surplus	13.3%	11.1%	9.6%	4.9%	4.5%	7.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	538,022	587,319	544,690	513,855
Passenger miles per mile of road	114,229	133,431	139,950	135,364
Miles, second and additional main track		78	76	76
Miles, yards and sidings		378	372	364
				71
				357

See Notes, Page 224.

## THE EARNING POWER

## NEW YORK, NEW HAVEN &amp; HARTFORD R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1906-7	2,060	\$55,601,936	\$8,893,042	1911-12	2,091	\$64,933,065	\$13,385,551
1907-8	2,047	53,050,147	5,265,569	1912-13	2,092	68,613,503	8,322,228
1908-9	2,044	54,347,631	7,430,229	1913-14	2,046	66,617,693	268,663
1909-10	2,042	60,693,668	10,796,574	1914-15	*2,003	65,379,264	2,307,971
1910-11	2,041	62,153,435	11,187,312	*Does not include Street Railways.			

## STOCK OUTSTANDING

June 30, 1915.	
Common	\$157,117,900
Stock per mile of road operated	\$78.441

## \*BONDS OUTSTANDING

June 30, 1915.	
Debentures	\$155,892,100
Mortgage Bonds	58,388,000
Notes, etc.	30,139,000
Other	807,537

\*Includes bonds and debentures of Merged Roads Assumed among which are bonds of public service companies; but does not include \$2,463,350 Bonds in Treasury and Sinking Fund and does not include Funded Debt of Subsidiary Companies (New England Navigation Co., Central New England Ry., etc.). †Does not include \$20,000,000 6% Notes of the New England Navigation Co., due May 1, 1917.

Fixed Charges below include \$6,228,999 for Rentals of Leased Lines, \$2,932,987 for Other Rents, \$598,101 for Hire of Freight Cars and Rentals of Other Equipment and \$995,572 Loss from Separately Operated Properties (N. Y., Westchester & Boston Ry., and Boston R. R. Holding Company).

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 2,003.		
Operating Revenues	\$65,379,264	\$32,641
Operating Expenses	44,126,624	22,030
Net Operating Revenues	21,252,640	10,611
Other Income (including \$2,549,237 from Rentals)	5,856,244	2,923
Gross Corporate Income	27,108,884	13,534
Fixed Charges (including for Taxes, \$2,743,921)	24,800,913	12,382
Surplus	2,307,971	1,152

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$7,729,241	\$3,859
Maintenance of Equipment	9,780,330	4,883
Traffic Expenses	473,368	236
Transportation Expenses	23,940,388	11,952
General Expenses	2,203,297	1,100

Ratio of Operating Expenses to Operating Revenues 67.5 per cent.  
Other Income above includes \$232,607 from Hire of Equipment and \$3,017,373 Income from Stocks, Bonds and Unfunded Securities owned.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	24.6%	26.0%	22.0%	19.4%	19.5%	19.2%
For Traffic and Other Operating Expenses	37.4%	39.6%	37.5%	35.5%	36.7%	35.3%
For Fixed Charges	34.8%	34.0%	29.2%	27.6%	28.4%	30.3%
For Surplus	3.2%	0.4%	11.3%	17.5%	15.4%	15.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,090,918	1,151,832	1,249,961	1,157,251
Passenger miles per mile of road	737,828	802,908	781,277	746,536
Miles, second and additional main track	1,113	1,118	1,182	1,136
Miles, yards and sidings	1,418	1,478	1,493	1,447

See Notes, Page 226.

**RUTLAND R. R.**

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1900-1	336	\$1,862,236	\$201,369	1908	*468	\$2,755,204	\$92,486
1901-2	416	2,134,382	263,414	1909	*468	3,102,432	204,006
1902-3	415	2,376,563	97,707	1910	*468	3,339,834	313,012
1903-4	415	2,414,462	114,602	1911	*468	3,416,713	299,514
1905	*468	2,562,088	190,847	1912	*468	3,612,521	290,946
1906	*468	2,799,210	179,625	1913	*468	3,752,774	270,407
1907	*468	3,068,087	186,493	1914	*468	3,526,095	204,008

\*Includes 53 miles operated under trackage right for passenger traffic only.

*STOCK OUTSTANDING		†BONDS OUTSTANDING	
Dec. 31, 1914.		Dec. 31, 1914.	
Common	\$199,400	Fixed Interest	\$10,744,000
Preferred (7%)	9,057,600	Equipment	932,000
*Includes \$500 Common Stock and \$103,200 Preferred Stock in Treasury. †Includes \$503,700 Bonds in Treasury.			
Loans and Bills Payable, December 31, 1914, \$403,000.			

CAPITALIZATION		
	Total	Per Mile
Stock	\$9,257,000	\$19,780
Bonds	11,676,000	24,949
Total	20,933,000	44,729
Fixed Charges below include \$29,805 for Rentals.		

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914		
	Total	Per Mile
Average miles operated, 468.		
Operating Revenues	\$3,526,095	\$7,534
Operating Expenses	2,726,976	5,827
Net Operating Revenues	799,119	1,707
Other Income (including \$64,010 Hire of Equipment)	165,708	354
Gross Corporate Income	964,822	2,061
Fixed Charges (including for Taxes, \$206,673)	760,814	1,625
*Surplus	204,008	436

OPERATING EXPENSES		
	Total	Per Mile
Maintenance of Way	\$440,994	\$942
Maintenance of Equipment	621,309	1,328
Traffic Expenses	98,485	210
Transportation Expenses	1,481,301	3,165
Miscellaneous Operations and General Expenses	84,887	182
Ratio of Operating Expenses to Operating Revenues 77.3 per cent.		
*This Surplus before deducting \$35,283 for Additions and Betterments and \$168,725 Appropriated for Improvements.		
Other Income above includes \$37,566 from Rentals.		

APPROPRIATION OF GROSS INCOME						
	1914	1913	1912	1911	1910	1909
For Maintenance Expenses	28.8%	31.1%	30.1%	26.3%	28.0%	29.4%
For Traffic and Other Operating Expenses	45.1%	42.6%	43.3%	43.8%	41.4%	40.4%
For Fixed Charges	20.6%	19.4%	18.8%	21.4%	21.4%	23.7%
For Surplus	5.5%	6.9%	7.8%	8.5%	9.2%	6.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road	*618,491	*608,468	*629,094	*568,271
Passenger miles per mile of road	†114,330	†121,516	†114,375	†110,536
Miles, yards and sidings	120	119	117	114

\*Based on total of 415 miles operated for freight service.  
 †Based on total of 468 miles operated for passenger service.  
 See Notes, Page 235.



## ST. JOHNSBURY &amp; LAKE CHAMPLAIN R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Deficit		Oper.	Gross	Deficit
1906-6	131	\$322,673	\$32,957	1910-11	125	\$385,237	\$38,238
1906-7	131	367,996	44,067	1911-12	*98	361,338	49,390
1907-8	131	349,760	75,386	1912-13	98	385,450	55,166
1908-9	125	333,581	66,812	1913-14	98	386,464	88,394
1909-10	125	361,613	58,641	1914-15	98	316,036	127,129

\*A portion of the line was leased in January, 1912, to the Maine Central R. R. This explains decrease in mileage operated.

## STOCK OUTSTANDING

June 30, 1915.

Common	\$2,452,449
Preferred (6%)	1,154,400

## BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	\$2,500,000
Notes Payable	845,545

## CAPITALIZATION

	Total	Per Mile
Stock	\$3,606,849	\$36,805
Bonds	3,345,545	34,138
Total	6,952,394	70,943

Fixed Charges below include \$47,219 for Rentals and Hire of Equipment, but do not include \$58,600 interest on Bonds owned by the Boston & Maine R. R. and Boston & Lowell R. R.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 98.		
Operating Revenues	\$316,036	\$3,225
Operating Expenses	302,879	3,081
Net Operating Revenues	13,157	134
Other Income	23,533	240
Gross Corporate Income	36,690	374
Fixed Charges (Including for Taxes, \$15,397)	163,819	1,671
Deficit	127,129	1,297

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$124,438	\$1,270
Maintenance of Equipment	1,659	17
Traffic Expenses	2,600	27
Transportation Expenses	165,085	1,685
General Expenses	9,087	92

Ratio of Operating Expenses to Operating Revenues 95.8 per cent.

Other Income above includes \$22,500 from Rentals of Road Leased to Maine Central R. R. on January 1, 1915. Rental on this mileage was reduced from \$25,000 per annum to \$20,000 per annum.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	37.1%	27.7%	23.0%	23.0%	25.1%	29.9%
For Traffic and Other Operating Expenses	52.1%	52.1%	50.9%	50.1%	46.5%	47.3%
For Fixed Charges	48.2%	41.6%	39.5%	40.1%	38.3%	39.0%
For Surplus	Dfct.	Dfct.	Dfct.	Dfct.	Dfct.	Dfct.

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road			151,836	130,435
Passenger miles per mile of road			39,213	39,464
Miles, yards and sidings	17	17	16	16

See Notes, Page 236.

**BALTIMORE & OHIO R. R.**

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1901-2	3,233	\$51,178,061	\$10,324,888	1908-9	4,004	71,043,519	13,020,965
1902-3	3,935	63,449,633	14,905,133	1909-10	4,434	88,901,252	16,247,587
1903-4	3,987	66,071,081	12,766,010	1910-11	4,434	88,145,004	12,819,991
1904-5	4,026	67,689,997	14,153,248	1911-12	4,465	92,594,323	13,898,068
1905-6	4,030	77,392,066	19,130,338	1912-13	4,466	101,556,132	13,382,111
1906-7	4,006	82,243,922	18,545,611	1913-14	4,478	97,411,441	9,250,024
1907-8	3,992	73,608,781	10,422,738	1914-15	4,535	91,815,797	10,780,881

**STOCK OUTSTANDING**

June 30, 1915.

Common .....	\$151,948,703
Preferred (4%) .....	58,863,182

**\*BONDS OUTSTANDING**

June 30, 1915.

†Fixed Interest .....	\$340,649,330
Equipment .....	14,960,000
†Notes .....	40,000,000
Real Estate .....	3,189,830

\*Does not include \$7,526,450 Bonds in Treasury. †Includes \$63,250,000 Bonds convertible into Common Stock at 110 (see Notes). ‡\$20,000,000 due June 1, 1917; \$20,000,000 due June 1, 1918.

**CAPITALIZATION**

	Total	Per Mile
Stock .....	\$210,811,885	\$46,486
Bonds .....	398,799,160	87,938
Total .....	609,611,045	134,424

Fixed Charges below include \$1,381,089 for Rentals and \$1,121,685 for Hire of Equipment.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

	Total	Per Mile
Average miles operated, 4,535.		
Operating Revenues .....	\$91,815,797	\$20,246
Operating Expenses .....	63,925,508	14,096
Net Operating Revenues .....	27,890,289	6,150
Other Income (including \$245,296 Rent from Equipment) .....	5,260,848	1,160
Gross Corporate Income .....	33,151,137	7,310
Fixed Charges (including for Taxes, \$3,289,611) .....	22,370,256	4,933
*Surplus .....	10,780,881	2,377

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way .....	\$8,985,627	\$1,982
Maintenance of Equipment .....	16,002,589	3,529
Traffic Expenses .....	1,905,496	420
Transportation Expenses .....	34,245,909	7,551
Miscellaneous Operations and General Expenses.....	2,785,887	614

Ratio of Operating Expenses to Operating Revenues 69.6 per cent.

\*This Surplus before deducting \$57,633 Income applied to Sinking and Other Reserve Funds.

Other Income above includes \$1,063,277 from Rentals and \$1,852,250 from Dividends.

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses.....	25.8%	27.9%	30.3%	28.9%	28.1%	30.1%
For Traffic and Other Operating Expenses .....	40.1%	41.8%	38.8%	37.8%	39.3%	35.8%
For Fixed Charges .....	23.0%	21.4%	18.4%	19.0%	18.8%	16.7%
For Surplus .....	11.1%	8.9%	12.5%	14.3%	13.8%	17.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road .....	2,860,005	3,112,539	3,211,865	2,803,648
Passenger miles per mile of road....	157,514	183,212	180,688	171,977
Miles, second and additional main track .....	1,499	1,495	1,488	1,449
Miles, yards and sidings.....	2,973	2,935	2,931	2,847

See Notes, Page 236.

## BALTIMORE &amp; OHIO CHICAGO TERMINAL R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1910-11	77	\$1,451,102	\$487,499	1913-14	77	\$1,594,454	\$161,831
1911-12	77	1,557,470	367,197	1914-15	79	1,555,299	*131,783
1912-13	77	1,794,351	357,471				

## \*Surplus.

Other Income (mostly Rentals) for 1914-15, \$1,943,907; 1913-14, \$1,200,948; 1912-13, \$903,548; 1911-12, \$820,233 and 1910-11, \$841,689.

## \*STOCK OUTSTANDING

June 30, 1915.

Common .....\$8,000,000

## \*BONDS OUTSTANDING

June 30, 1915.

Fixed Interest .....\$33,044,000

\*Entire issue of stock and entire issue (\$32,000,000) of First Mortgage Bonds is owned by the Baltimore & Ohio R. R.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$8,000,000	\$101,266
Bonds .....	32,044,000	418,278
Total .....	41,044,000	519,544

Fixed Charges below include \$10,273 for Rentals and \$82,054 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 79.		
Operating Revenues .....	\$1,555,299	\$19,687
Operating Expenses .....	1,084,538	13,728
Net Operating Revenues .....	470,761	5,959
Other Income (including \$1,320,342 from Rentals) .....	1,343,907	17,011
Gross Corporate Income .....	1,814,668	22,970
Fixed Charges (including for Taxes, \$222,783) .....	1,682,885	21,302
Surplus .....	131,783	1,668

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$143,093	\$1,811
Maintenance of Equipment .....	212,220	2,686
Traffic Expenses .....	10,484	133
Transportation Expenses .....	*641,733	8,123
Miscellaneous Operations and General Expenses .....	77,008	975

Ratio of Operating Expenses to Operating Revenues 69.7 per cent.

\*Before deducting \$15,454 Transportation for Investment—Cr.

Other Income above includes \$8,985 from Rent of Equipment.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses .....	12.2%	16.4%	19.5%	20.0%
For Traffic, Transportation and General Expenses .....	25.2%	29.1%	34.6%	33.1%
For Fixed Charges .....	58.0%	60.3%	59.7%	62.3%
For Surplus .....	4.6%	Deficit	Deficit	Deficit
	100.0%			

See Notes, Page 240.

**BUFFALO & SUSQUEHANNA R. R. CORPORATION.**

(Successor through reorganization to the Buffalo &amp; Susquehanna R. R.)

Year	Avg. Miles Oper.	Gross	Surplus
*1914	253	\$1,446,196	\$162,042

\*Includes 15 miles of trackage.  
The Gross Income of this Company for 1915 was \$1,936,412 and the Surplus after all charges \$382,722.

**STOCK OUTSTANDING**

	Dec. 31, 1914
Common	\$3,000,000
Preferred (4%)	4,000,000

**BONDS OUTSTANDING**

	Dec. 31, 1914
Fixed Interest	\$6,864,900
Equipment	489,000

**CAPITALIZATION**

	Total	Per Mile
Stock	\$7,000,000	\$27,668
Bonds	7,353,900	29,067
<b>Total</b>	<b>14,353,900</b>	<b>56,735</b>

Fixed Charges below include \$22,483 for Rentals and \$25,927 for Rent of Equipment.

**INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914**

Average miles operated, 253.	Total	Per Mile
Operating Revenues (1915, \$1,532,863)	\$1,466,196	\$5,716
Operating Expenses	1,286,702	5,086
Net Operating Revenues	159,494	630
Other Income (including \$193,053 Hire and Rent of Equipment)	390,549	1,543
Gross Corporate Income	549,843	2,173
Fixed Charges (including for Taxes, \$31,200)	387,801	1,533
*Surplus (1915, \$382,722)	162,042	640

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$290,062	\$1,147
Maintenance of Equipment	431,316	1,705
Traffic Expenses	13,777	54
Transportation Expenses	479,933	1,897
General Expenses	71,614	283

Ratio of Operating Expenses to Operating Revenues 89.0 per cent.  
\*This Surplus before deducting \$1,676 applied to Sinking Fund.  
Other Income above includes \$3,653 from Rentals, and \$39,327 from Rent of Equipment.

**APPROPRIATION OF GROSS INCOME**

For Maintenance Expenses	39.3%
For Traffic, Transportation and General Expenses	30.8%
For Fixed Charges	21.1%
For Surplus	8.8%
	<hr/> 100.0%
	1914
For miles per mile of road	824,068
Passenger miles per mile of road	12,483
Miles, yards and sidings	79

See Notes, Page 240.

## BUFFALO, ROCHESTER &amp; PITTSBURGH RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1901-2	472	\$6,292,584	\$1,273,266	1908-9	568	\$7,171,897	\$1,042,422
1902-3	472	7,404,508	1,781,595	1909-10	567	8,936,117	1,527,373
1903-4	499	7,496,521	1,513,264	1910-11	573	9,134,402	1,709,377
1904-5	538	8,138,274	1,387,271	1911-12	570	9,542,368	1,770,586
1905-6	568	7,797,243	1,510,644	1912-13	576	10,947,246	2,126,994
1906-7	569	8,596,916	1,539,203	1913-14	581	10,709,535	1,354,784
1907-8	568	7,422,236	1,036,192	1914-15	*586	9,479,936	912,720

\*Includes 130 miles trackage.

## STOCK OUTSTANDING

June 30, 1915

Common	.....	\$10,500,000	*Fixed Interest	.....	\$19,709,000
Preferred (6%)	.....	6,000,000	Equipment	.....	10,264,000

\*Does not include \$1,400,000 bonds in Treasury.

## BONDS OUTSTANDING

June 30, 1915

## CAPITALIZATION

	Total	Per Mile
Stock	\$16,500,000	\$28,157
Bonds	29,973,000	51.148
Total	46,473,000	79,305

Fixed Charges below include \$373,500 for Rentals of Leased Lines, \$289,917 for Other Rentals and \$707 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 588.		
Operating Revenues	\$9,479,936	\$16.178
Operating Expenses	6,935,252	11.835
Net Operating Revenues	2,544,684	4.343
Other Income (incl. \$178,588 Rentals Received)	718,646	1.226
Gross Corporate Income	3,263,330	5.569
Fixed Charges (including for Taxes, \$230,000)	2,350,610	4.011
*Surplus	912,720	1.568

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,267,254	\$2.153
Maintenance of Equipment	2,135,354	3.644
Traffic Expenses	141,767	.242
Transportation Expenses	3,144,598	5.388
Miscellaneous Operations and General Expenses	246,279	.420

Ratio of Operating Expenses to Operating Revenues 73.2 per cent.

\*This Surplus before deducting \$65,414 for New Equipment, \$45,797 for Retirement of Equipment Bonds and \$21,508 to Pension and Insurance Funds.

Other Income above includes \$446,058, from Hire of Equipment.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	33.4%	31.8%	31.1%	29.1%	29.2%	32.4%
For Traffic and Other Operating Expenses	34.6%	37.1%	33.0%	33.5%	32.4%	29.8%
For Fixed Charges	23.0%	19.4%	18.1%	20.2%	21.3%	21.7%
For Surplus	9.0%	11.7%	17.8%	17.2%	17.1%	16.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	2,868,639	3,407,940	3,542,289	2,990,012
Passenger miles per mile of road	86,033	95,752	94,745	89,651
Miles, second and additional main track	208	207	195	192
Miles, yards and sidings	373	360	334	320

See Notes, Page 242.

CENTRAL R. R. OF NEW JERSEY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1902-3	639	\$16,357,156	\$2,134,796	1909-10	631	\$23,851,511	*\$9,103,890
1903-4	639	18,421,952	4,326,208	1910-11	634	24,799,235	7,148,101
1904-5	602	19,259,117	5,032,422	1911-12	†669	25,890,094	6,009,072
1905-6	610	20,533,031	5,659,705	1912-12	†676	28,405,757	7,332,883
1906-7	610	22,772,568	5,782,879	1913-14	†678	27,372,315	5,723,994
1907-8	610	23,184,414	5,123,478	1914-15	†681	28,742,256	5,312,178
1908-9	610	22,068,278	4,537,988				

\*Includes profits from sale of Lehigh Valley R. R. stock (amount not specified). †Includes New York & Long Branch R. R. (38 miles).

†This includes revenue which in previous years was reported under Outside Operations; on like basis total Revenues in 1913-14 were \$29,251,092.

STOCK OUTSTANDING

June 30, 1915.

Common	\$27,486,800
Does not include \$1,167,000 in Treasury.	

BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	\$43,924,000
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CAPITALIZATION

	Total	Per Mile
Stock	\$27,486,800	\$40,289
Bonds	43,924,000	64,499
Total	71,360,800	104,788

Fixed Charges below include \$2,231,436 for Rentals of Leased Lines, \$284,254 for Other Rentals, and \$455,940 Rent for Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 631.		
Operating Revenues	\$28,742,256	\$42,206
Operating Expenses	18,951,307	27,829
Net Operating Revenues	9,790,949	14,377
Other Income	3,688,769	5,417
Gross Corporate Income	13,479,717	19,794
Fixed Charges (including for Taxes, \$1,433,783)	8,167,540	11,994
*Surplus	5,312,178	7,800

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,550,456	\$3,745
Maintenance of Equipment	5,347,465	7,852
Traffic Expenses	346,288	509
Transportation Expenses (including \$116,879 Water Lines)	9,958,390	14,623
Miscellaneous Operations and General Expenses	748,708	1,100

Ratio of Operating Expenses to Operating Revenues 65.9 per cent.  
 \*This Surplus before deducting \$1,203,547 for Additions and Betterments.  
 Other Income above includes \$295,484 from Rentals, \$1,518,153 from Hire of Equipment and \$1,296,526 from Dividends on Stock owned.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	24.3%	26.3%	22.8%	23.1%	22.8%	20.9%
For Traffic and Other Operating Expenses	34.1%	32.1%	30.7%	31.5%	29.1%	25.6%
For Fixed Charges	25.2%	22.8%	22.6%	24.0%	22.0%	21.6%
For Surplus	16.4%	18.8%	23.9%	21.4%	26.1%	31.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	3,309,195	3,499,933	3,672,024	3,303,886
Passenger miles per mile of road	558,757	557,703	556,960	552,882
Miles, second and additional main track	332	334	334	334
Miles yards and sidings	786	782	737	699

See Notes, Page 243.

## THE EARNING POWER

## CUMBERLAND VALLEY R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1901	163	\$1,120,111	\$360,231	1908	162	\$2,409,762	\$332,359
1902	163	1,256,501	316,643	1909	162	2,668,951	1,037,361
1903	163	2,019,378	350,064	1910	162	3,128,258	970,397
1904	163	2,165,558	579,069	1911	162	2,891,331	729,635
1905	163	2,472,221	851,259	1912	162	3,291,360	872,542
1906	163	2,904,990	962,624	1913	162	3,574,335	851,535
1907	162	2,935,107	985,101	1914	164	3,227,054	947,221

## STOCK OUTSTANDING

December 31, 1914.

Common .....	\$4,848,650
Preferred 1st (8%) .....	241,900
Preferred, 2d (8%) .....	243,000

## BONDS OUTSTANDING

December 31, 1914.

Equipment .....	\$10,841
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## CAPITALIZATION

	Total	Per Mile
Stock .....	\$5,333,550	\$32,522
Equipment Obligations .....	10,841	66
Total .....	5,344,391	32,588

Fixed Charges below include \$74,796 for Rentals, \$29,804 (net) for Hire of Equipment, \$5,975 for Loss from Operation of Leased Roads.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 164.		
Operating Revenues .....	\$3,227,054	\$19,677
Operating Expenses .....	2,201,505	13,424
Net Operating Revenues .....	1,025,549	6,253
Other Income (including \$31,702 from Rentals) .....	102,323	623
Gross Corporate Income .....	1,127,872	6,876
Fixed Charges (including for Taxes, \$69,532) .....	180,651	1,102
*Surplus .....	947,221	5,774

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$615,129	\$3,141
Maintenance of Equipment .....	418,757	2,553
Traffic Expenses .....	54,249	331
Transportation Expenses .....	1,106,814	6,749
Miscellaneous Operations and General Expenses....	106,556	650

Ratio of Operating Expenses to Operating Revenues 68.2 per cent.

\*This Surplus before deducting \$520,545 Income appropriated for Investment in Physical Property.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses...	23.1%	31.0%	30.0%	31.2%	26.5%	22.0%
For Traffic and Other Operating Expenses .....	38.1%	37.1%	36.1%	36.3%	34.6%	33.1%
For Fixed Charges .....	5.4%	8.7%	8.0%	7.9%	8.5%	7.1%
For Surplus .....	28.4%	23.2%	25.9%	24.6%	30.4%	37.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road.....	2,756,584	3,303,332	2,894,420	2,359,547
Passenger miles per mile of road.....	210,971	226,172	224,940	211,361
Miles, second and additional main track .....	60	57	57	47
Miles, yards and sidings .....	113	109	94	95

See Notes, Page 245.

DELAWARE & HUDSON CO.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901	661	\$12,178,683	\$4,370,706	1906	845	\$18,500,731	\$5,254,453
1902	689	11,050,690	2,497,874	1909	843	19,525,859	5,194,840
1903	769	13,642,953	6,205,156	1910	843	20,431,800	5,330,189
1904	843	15,071,124	5,256,446	1911	878	21,421,817	5,237,681
1905	843	16,382,074	5,707,743	1912	878	22,480,103	5,506,089
1906	843	17,050,029	5,301,622	1913	904	24,153,495	6,174,786
1907	845	20,175,793	6,466,172	1914	904	22,595,028	4,607,862

STOCK OUTSTANDING

December 31, 1914.

Common .....	\$42,503,000
Stock per mile of road operated .....	\$47,017

BONDS OUTSTANDING

December 31, 1914.

*Fixed Interest .....	\$53,677,000
Equipment .....	9,643,000

\*See Notes regarding issue under date of October 1, 1915, of \$14-451,000 5% bonds due 1935 convertible into stock at 150 between October 1, 1917, and October 1, 1927. Also see Notes as to the \$10,000,000 3 1/2% bonds (\$6,444,000 in hands of public) of the Albany & Susquehanna R. R. (not included above) convertible into D. & H. Co. stock at \$200 per share to April 1, 1916.

Loans Payable, December 31, 1914, \$3,018,534.

Fixed Charges below include \$1,997,771 for Rentals, \$75,000 Interest on Divisional Bonds and \$170,481 General Interest and Discount.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

Average miles operated, 904.	Total	Per Mile
Operating Revenues .....	(1915, \$23,733,336) \$22,595,028	\$24,994
Operating Expenses .....	15,048,452	16,646
Net Operating Revenues .....	7,546,576	8,348
Other Income (incl. \$70,987 Hire of Equipment).....	2,541,947	2,812
Gross Corporate Income .....	10,088,523	11,160
Fixed Charges (including for R. R. Taxes, \$671,119) .....	5,480,661	6,063
Surplus .....	4,607,862	5,097

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$1,670,364	\$1,848
Maintenance of Equipment .....	3,649,672	4,037
Traffic Expenses .....	314,327	348
Transportation Expenses .....	8,602,636	9,516
General Expenses .....	811,453	897

Ratio of Operating Expenses to Operating Revenues 66.6 per cent.

Other Income above includes \$1,357,955 Gross Income from Coal Department (of which \$717,069 from Dividends and Interest) and \$1,006,156 Dividends and Interest—Railroad Department.

APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses.....	21.2%	20.7%	20.8%	19.7%	19.5%	18.3%
For Traffic and Other Operating Expenses .....	38.7%	36.1%	35.8%	35.5%	34.6%	34.9%
For Fixed Charges .....	21.8%	20.1%	21.2%	22.2%	22.3%	22.7%
For Surplus .....	18.3%	23.1%	22.2%	22.6%	23.6%	24.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road .....	3,022,296	2,688,070	3,221,937	2,974,404
Passenger miles per mile of road.....	163,342	140,692	176,566	165,730
Miles, second and additional main track .....	381	371	368	368
Miles, yards and sidings .....	639	634	650	616

See Notes, Page 246.



## DELAWARE, LACKAWANNA &amp; WESTERN R. R.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1901	771	\$23,507,684	1908	770	\$32,898,495
1902	771	21,398,764	1909	815	34,815,011
1903	770	29,180,964	1910	815	36,052,932
1904	770	28,701,981	1911	843	36,585,563
1905	770	31,951,068	1912	923	37,564,511
1906	770	32,962,830	1913	923	40,784,145
1907	770	37,264,473	1914	*923	39,249,790

\*Does not include 62 miles controlled and operated.

## STOCK OUTSTANDING

December 31, 1914

## BONDS OUTSTANDING

December 31, 1914

*Common	\$42,277,000	B. & P. Ry.	\$320,000
Per mile of road operated	45,804		

\*Includes \$12,000,000 stock sold at par to stockholders in 1913.

Fixed Charges below include \$5,874,935 for Rentals of Leased Lines.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

		Total	Per Mile
Average miles operated, 923.			
Operating Revenues	(1915, \$44,786,731)	\$39,249,790	\$42,524
Operating Expenses	(1915, 27,756,947)	25,417,832	27,538
Net Operating Revenues	(1915, 17,029,784)	13,831,958	14,986
Other Income (incl. \$350,942 Outside Operations)		7,180,039	7,779
Gross Corporate Income	(1915, \$22,055,797)	21,011,947	22,765
Fixed Charges (including for Taxes, \$2,060,832)		7,743,022	8,389
*Surplus	(1915, 12,579,196)	13,268,925	14,376

## OPERATING EXPENSES

		Total	Per Mile
Maintenance of Way	(1915, \$4,662,811)	\$5,074,500	\$5,498
Maintenance of Equipment	(1915, 6,869,900)	6,318,720	6,846
Traffic Expenses	(1915, 920,555)	837,384	907
Transportation Expenses	(1915, 14,011,676)	12,308,932	13,336
General Expenses	(1915, 1,292,505)	878,346	951

Ratio of Operating Expenses to Operating Revenues, 64.8 per cent.

\*This Surplus before deducting \$1,299,286 for Additions and Betterments. (\$1,579,576 in 1913.)

†After deducting \$114,252 Transportation for Investment—Cr.

Other Income above includes \$280,920 from Rentals, \$370,266 from

Hire of Equipment, \$2,355,562 Coal Department Earnings, \$2,001,444

Depletion of Coal Deposits and \$1,016,844 Dividends on Stocks.

1915 Earnings as above are classified in accordance with new basis prescribed by the I. C. C.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses	24.5%	24.8%	24.7%	23.8%	21.7%	19.7%
For Traffic and Other Operating Expenses	30.2%	31.2%	30.6%	29.8%	28.8%	26.0%
For Fixed Charges	16.7%	18.6%	17.7%	17.9%	17.0%	16.6%
For Surplus	28.6%	25.4%	27.0%	28.5%	32.5%	37.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Total Miles per mile of road	4,150,981	4,398,206	4,041,439	4,188,149
Passenger miles per mile of road	574,766	591,884	547,763	605,985
Miles, second and additional main track		636	543	541
Miles, yards and sidings		1,017	1,102	1,078

See Notes, Page 249.

ERIE R. R.

Year	Avg. Miles			*Surplus	Year	Avg. Miles		
	Oper.	Gross	*Surplus			Oper.	Gross	*Surplus
1904-5	2,150	\$43,321,647	\$4,406,596	1909-10	2,227	\$51,830,720	\$5,806,543	
1905-6	2,151	47,461,402	5,016,644	1910-11	2,265	53,820,060	5,390,432	
1906-7	2,151	51,194,113	5,903,658	1911-12	2,258	53,708,469	3,377,208	
1907-8	2,171	46,746,436	†1,623,423	1912-13	2,257	59,465,185	8,105,975	
1908-9	2,231	47,514,859	2,947,644	1913-14	2,257	\$57,804,814	1,422,975	

\*Surplus for years 1912-13 and 1913-14 before deducting Sinking Fund Payments; surplus for Prior Years after deducting same. †Deficit.

Fiscal year changed July 1, 1914, to the calendar year. For the six months July 1, 1914, to December 31, 1914, Operating Revenues were \$31,216,708 and Surplus was \$771,501. See Notes regarding Earnings for 1915.

STOCK OUTSTANDING

June 30, 1914	
Common	\$112,378,900
Preferred 1st (4%)	47,892,400
Preferred 2nd (4%)	16,000,000

BONDS OUTSTANDING

June 30, 1914	
*Fixed Interest	\$170,123,400
Equipment	17,217,457
Notes	28,050,000
Other	1,103,066

\*Does not include \$15,839,000 General Lien 4% bonds and \$10,985,000 Convertible 4% bonds owned and pledged and \$6,863,000 Pennsylvania Collateral 4% bonds in the Sinking Fund. See Notes regarding issue in 1916 of \$28,000,000 General Mortgage Series "C" bonds convertible into common stock at \$50 per share from April 1, 1918, to October 1, 1927.

CAPITALIZATION

	Total	Per Mile
Stock	\$176,271,300	\$78,100
Bonds	216,493,923	95,921
Total	392,765,223	174,021

Fixed Charges below include \$2,226,702 for Lease of Other Roads (including \$1,345,450 interest on \$25,881,400 Leased Lines bonds), \$1,538,552 Miscellaneous and Joint Facility Rents, \$49,134 (net) Hire of Equipment, \$1,091,552 interest on Pennsylvania collateral 4% bonds and \$374,171 loss from Outside Operations.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1914

	Total	Per Mile
Average miles operated, 2,257		
Operating Revenues	\$57,804,814	\$25,611
Operating Expenses	42,835,348	18,979
Net Operating Revenues	14,969,466	6,632
Other Income (incl. \$837,992 Rents Received)	2,853,654	1,264
Total Net Income	17,822,120	7,896
Fixed Charges (including for Taxes, \$1,865,727)	16,399,145	7,266
*Surplus	1,422,975	630

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$6,998,746	\$3,101
Maintenance of Equipment	11,314,881	5,013
Traffic Expenses	1,516,897	672
Transportation Expenses	21,528,449	9,536
General Expenses	1,481,376	657

Ratio of Operating Expenses to Operating Revenues, 74.1 per cent.

\*This Surplus before deducting \$502,743 for Additions and Betterments and \$760,709 appropriated to Sinking and Other Reserve Funds.

Other Income above includes \$800,320 Dividend Income (as compared with \$2,611,881, for 1912-13), \$997,189 Interest Income (as compared with \$2,536,019 for 1912-13) and \$213,131 Profit from Separately Operated Properties.

APPROPRIATION OF GROSS INCOME

	1913-14	1912-13	1911-12	1910-11	1909-10	1908-9
For Maintenance Expenses	30.2%	26.0%	26.6%	25.8%	26.1%	28.3%
For Traffic and Other Operating Expenses	40.5%	36.0%	37.9%	36.3%	35.2%	38.4%
For Fixed Charges	27.0%	25.6%	29.7%	28.6%	28.3%	27.3%
For Surplus	2.3%	12.4%	5.8%	9.3%	10.4%	6.0%

	1913-14	1912-13	1911-12	1910-11
Ton miles per mile of road	3,291,110	3,425,199	3,021,949	3,013,502
Passenger miles per mile of road	243,304	286,676	270,837	276,749
Miles, second, etc., main track	1,243	1,146	1,011	979
Miles, yards and sidings	1,768		1,699	1,675

See Notes, Page 253.

## FONDA, JOHNSTOWN &amp; GLOVERSVILLE R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1907-8	84		\$777,475	\$27,597	1911-12	88		\$932,168	\$101,661
1908-9	86		792,659	41,204	1912-13	88		988,323	94,101
1909-10	86		904,751	117,174	1913-14	89		986,877	92,707
1910-11	86		946,366	134,304	1914-15	88		*874,762	13,263

\*Steam and Electric Divisions; passenger revenue from Electric Division was \$536,480 in 1914-15.

## STOCK OUTSTANDING

June 30, 1915	
Common	\$2,500,000
*Preferred (6%)	500,000
*Cumulative.	

## BONDS OUTSTANDING

June 30, 1915	
Fixed Interest	\$7,000,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$3,000,000	\$34,091
Bonds	7,000,000	79,545
Total	10,000,000	113,636

Fixed Charges below include \$29,335 for Rentals, \$20,761 for Hire of Equipment, Dr. and \$6,017 loss Miscellaneous Operations.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 88.		
Operating Revenues	\$874,762	\$9,941
Operating Expenses	467,236	5,309
Net Operating Revenues	407,526	4,632
Other Income	31,804	361
Gross Corporate Income	439,330	4,993
Fixed Charges (including for Taxes, \$39,500)	426,067	4,842
Surplus	13,263	151

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$75,149	\$854
Maintenance of Equipment	52,554	597
Traffic Expenses	8,155	92
Transportation Expenses (incl. \$46,578 Power)	267,223	3,037
General Expenses	64,158	729
Ratio of Operating Expenses to Operating Revenues, 53.4 per cent.		

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	14.1%	14.0%	14.8%	13.3%	13.2%
For Traffic and Other Operating Expenses	37.4%	34.5%	34.0%	33.9%	31.9%
For Fixed Charges	47.0%	42.4%	42.0%	42.3%	41.2%
For Surplus	1.5%	9.1%	9.2%	10.5%	13.7%
	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Miles, second and additional main track	23	23	22	22
Miles, yards and sidings	13	13	13	13

See Notes, Page 258.

LEHIGH & HUDSON RIVER RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1904-5	77	\$464,110	\$22,023	1910-11	97	\$1,465,795	\$244,264
1905-6	86	626,971	67,592	1911-12	97	1,621,891	236,771
1906-7	97	844,335	43,387	1912-13	97	1,849,435	272,175
1907-8	97	851,519	11,532	1913-14	97	1,774,792	132,693
1908-9	97	1,251,316	80,400	1914-15	*97	1,816,585	261,299
1909-10	97	1,440,033	245,172				

\*Includes 22 miles trackage.

STOCK OUTSTANDING

BONDS OUTSTANDING

	June 30, 1915.		June 30, 1915.
Common	\$1,340,000	Fixed Interest	\$3,151,000
		Equipment	40,000

CAPITALIZATION

	Total	Per Mile
Stock	\$1,340,000	\$13,814
Bonds	3,191,000	32,897
Total	4,531,000	46,711

Fixed Charges below include \$76,581 for Rentals (Joint Facilities) and \$77,826 for Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 97.		
Operating Revenues	\$1,816,585	\$18,728
Operating Expenses	1,194,385	12,313
Net Operating Revenues	622,200	6,415
Other Income	3,590	37
Gross Corporate Income	625,790	6,452
Fixed Charges (including for Taxes, \$50,645)	364,491	3,753
Surplus	261,299	2,694

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$243,923	\$2,515
Maintenance of Equipment	234,423	2,417
Traffic Expenses	17,279	178
Transportation Expenses	643,917	6,638
General Expenses	54,843	565

Ratio of Operating Expenses to Operating Revenues 85.7 per cent.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	26.3%	29.4%	27.0%	26.4%	25.0%	23.5%
For Traffic and Other Operating Expenses	39.4%	43.2%	40.0%	38.6%	36.9%	38.3%
For Fixed Charges	20.0%	19.9%	18.3%	20.5%	21.4%	21.2%
For Surplus	14.3%	7.5%	14.7%	14.5%	16.7%	17.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	3,273,811	3,245,800	3,419,873	3,089,622
Passenger miles per mile of road	63,266	66,731	19,773	20,697
Miles, yards and sidings		52	54	63

See Notes, Page 259.

## THE EARNING POWER

## LEHIGH &amp; NEW ENGLAND R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1904-5	132		\$326,433	\$15,106	1910-11	170		\$900,632	\$53,707
1905-6	137		565,109	19,682	1911-12	170		869,292	19,992
1906-7	168		686,277	17,831	1912-13	*269		1,793,785 +	358,184
1907-8	170		655,514	147,020	1913-14	*294		2,255,800	547,112
1908-9	170		777,061	112,384	1914-15	†296		2,646,662	692,947
1909-10	170		894,324	39,328					

\*Mileage at June 30. †Includes 96 miles of trackage. ‡Deficit.

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
*Common	\$6,000,000	†Fixed Interest	\$4,507,000
		Equipment	1,800,000

\*Includes \$5,000,000 stock sold at par 1912-13 to 1914-15, to provide funds to retire bonds and unfunded debt and to acquire the Panther Creek R. R. †Does not include \$493,000 bonds in Treasury.

## CAPITALIZATION

	Total	Per Mile
Stock	\$6,000,000	\$20,270
Bonds	6,307,000	21,308
Total	12,307,000	41,578

Fixed Charges below include \$112,080 for Rentals and \$861 for Rent of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 296.

	Total	Per Mile
Operating Revenues	\$2,646,662	\$8,942
Operating Expenses	1,479,802	5,000
Net Operating Revenues	1,166,860	3,942
Other Income (incl. \$6,648, from Rentals)	61,299	207
Gross Corporate Income	1,228,159	4,149
Fixed Charges (including for Taxes, \$67,839)	535,212	1,808
Surplus	692,947	2,341

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$343,726	\$1,161
Maintenance of Equipment	352,829	1,294
Traffic Expenses	26,226	89
Transportation Expenses	655,985	2,216
General Expenses	71,086	240

Ratio of Operating Expenses to Operating Revenues, 55.9 per cent.  
Other Income above includes \$7,242 Credit Balance from Hire of Freight Cars, \$1,340 Rent from Other Equipment, and \$44,852 from Unfunded Securities and Accounts.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	26.8%	26.3%	25.2%	30.6%	26.0%	30.5%
For Traffic and Other Operating Expenses	27.8%	29.2%	28.4%	33.8%	33.1%	32.3%
For Fixed Charges	19.8%	20.4%	26.4%	36.8%	36.0%	32.8%
For Surplus	25.6%	24.1%	20.0%	Dfct.	5.9%	4.4%
	100.0%	100.0%	100.0%		100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Miles, second and additional main track	2	2	..	..
Miles, yards and sidings	90	83	44	40

See Notes, Page 260.

LEHIGH VALLEY R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1903-4	1,392	\$29,881,738	\$6,577,287	1909-10	1,440	\$36,167,398	\$8,137,401
1904-5	1,394	31,276,848	7,439,987	1910-11	1,432	37,687,408	8,500,007
1905-6	1,429	32,789,857	7,340,800	1911-12	1,441	36,906,935	6,813,020
1906-7	1,448	36,068,432	8,204,794	1912-13	1,451	43,043,372	8,761,828
1907-8	1,448	36,510,154	7,759,180	1913-14	1,440	39,783,564	7,066,660
1908-9	1,446	33,137,832	5,843,803	1914-15	*1,444	42,525,962	6,322,445

\*Includes 44 miles of trackage.

STOCK OUTSTANDING

June 30, 1915.	
Common	\$60,501,700
Preferred (10%)	106,800

\*BONDS OUTSTANDING

June 30, 1915.	
Fixed Interest	\$119,267,000
Equipment	1,250,000
Real Estate	1,669

\*Does not include \$14,123,000 Bonds and \$2,950,000 Equipment Certificates in Treasury. Includes \$44,761,000 bonds of Leased Roads.

CAPITALIZATION

	Total	Per Mile
Stock	\$60,608,000	\$41,972
Bonds	120,518,669	83,462
Total	181,126,669	125,434

Fixed Charges below include \$2,131,795 for Rentals of Leased Roads, mostly representing interest on bonds (included above under bonds outstanding); also \$739,599 for Other Rentals and \$68,808 Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 1,444.	Total	Per Mile
Operating Revenues	\$42,525,962	\$29,450
Operating Expenses	28,947,388	20,740
Net Operating Revenues	12,578,574	8,710
Other Income (including \$712,999 Dividend Income)	2,011,019	1,398
Gross Corporate Income	14,589,593	10,103
Fixed Charges (including for Taxes, \$1,689,103)	8,267,148	5,725
Surplus	6,322,445	4,378

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,483,925	\$3,105
Maintenance of Equipment	8,207,491	5,684
Traffic Expenses	959,830	665
Transportation Expenses	15,382,187	10,653
General Expenses	913,955	633

Ratio of Operating Expenses to Operating Revenues 70.4 per cent.

Other Income above includes \$325,579 from Rentals and \$423,027 Income from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	23.5%	27.2%	29.2%	26.3%	24.5%	25.4%
For Traffic and Other Operating Expenses	38.7%	37.6%	35.0%	37.0%	35.0%	32.8%
For Fixed Charges	18.6%	18.7%	16.5%	19.2%	18.9%	20.0%
For Surplus	14.2%	16.5%	19.3%	17.5%	21.6%	21.8%

100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	3,689,820	3,624,158	4,005,862	3,321,310
Passenger miles per mile of road	149,403	184,264	187,248	183,933
Miles, second and additional main track	739	740	733	717
Miles, yards and sidings	1,216	1,208	1,183	1,174

See Notes, Page 261.

## LONG ISLAND R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1901-2	396		\$5,883,607	\$544,255	1908	392		9,818,545	*276,068
1902-3	392		6,440,992	306,588	1909	391		10,898,371	316,780
1903-4	392		6,835,848	*275,206	1910	399		9,779,116	*328,563
1904	392		7,083,807	*54,389	1911	399		10,517,751	*457,956
1905	392		7,824,986	22,529	1912	399		11,186,656	*282,690
1906	392		9,595,596	*28,359	1913	398		12,204,738	*977,985
1907	392		10,130,408	*858,829	1914	399		13,220,334	*494,131

\*Deficit.

## STOCK OUTSTANDING

December 31, 1914	
Common	\$12,000,000

## BONDS OUTSTANDING

December 31, 1914	
Fixed Interest	\$54,666,488
Equipment	3,372,000
Real Estate	1,816,680
*Other	15,242,891

\*Non-Negotiable Debt to Affiliated Companies, viz: Notes, \$14,233,126; Open Accounts, \$1,009,265.

## CAPITALIZATION

	Total	Per Mile
Stock	\$12,000,000	\$30,075
Bonds	75,097,559	188,214
Total	87,097,559	218,289

Fixed Charges below include \$1,360,772 for Rentals, including \$693,196 Rentals for Leased Lines, \$63,823 Hire of Equipment, Dr. and \$58,040 Loss Separately Operated Properties.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

		Total	Per Mile
Average miles operated, 399.			
Operating Revenues	(1915, \$13,553,780)	\$13,220,334	\$33,135
Operating Expenses	(1915, 9,126,922)	9,115,778	22,847
Net Operating Revenues	(1915, 4,464,448)	4,104,566	10,287
Other Income (incl. \$265,938 from Rentals)		663,504	1,663
Gross Corporate Income	(1915, \$5,404,704)	4,768,060	11,950
Fixed Charges (including for Taxes, \$784,050)		5,262,131	13,188
Deficit	(1915, \$161,150)	494,131	1,238

## OPERATING EXPENSES

		Total	Per Mile
Maintenance of Way	(1915, \$1,529,223)	\$1,457,509	\$3,658
Maintenance of Equipment	(1915, 1,517,410)	1,440,907	3,611
Traffic Expenses	(1915, 128,899)	141,851	356
Transportation Expenses	(1915, 5,499,680)	5,687,110	14,253
Misc. Oper. and Gen. Exp.	(1915, 451,710)	388,401	974

Ratio of Operating Expenses to Operating Revenues, 69.0 per cent.  
Other Income above includes \$15,897 Profit—Separately Operated Properties and \$206,037 Income from Unfunded Securities.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses	20.9%	23.1%	22.3%	22.8%	23.6%	20.8%
For Traffic and Other Expenses	44.8%	44.7%	43.2%	45.6%	45.0%	45.9%
For Fixed Charges	37.9%	39.6%	36.8%	35.6%	34.4%	30.4%
For Surplus	Dfct.	Dfct.	Dfct.	Dfct.	Dfct.	2.9%
						100.0%

	1914	1913	1912	1911
Ton miles per mile of road	257,771	236,294	255,379	243,399
Passenger miles per mile of road	1,519,595	1,489,660	1,383,728	1,275,027
Miles, second and additional main track	199	196	190	189
Miles, yards and sidings	234	233	229	227

See Notes, Page 264.

MARYLAND & PENNSYLVANIA R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1905	80	\$344,626	\$68,124	1910	80	\$425,327	\$85,692
1906	80	354,354	69,755	1911	80	441,396	56,948
1907	80	385,654	85,656	1912	80	474,559	59,859
1908	80	367,033	55,677	1913	80	531,087	14,650
1909	80	399,720	68,541	1914	80	524,081	14,433

STOCK OUTSTANDING

December 31, 1914

*Common .....	\$1,602,500
Income Bonds (4%) .....	900,000

BONDS OUTSTANDING

December 31, 1914

†Fixed Interest .....	\$1,099,450
Equipment .....	66,000
†Notes due 1923 .....	300,000

\*Does not include \$1,000,000 stock held as Collateral for 10-Year Convertible Notes and \$97,500 stock in Treasury. †Does not include \$303,000 First Mortgage bonds in Treasury held by Trustee or used as Collateral for Call Loan. ‡Convertible into stock at 50% until July 1, 1923.

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds .....	\$2,502,500	\$31,281
Bonds .....	1,465,450	18,318
Total .....	3,967,950	49,599

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 80.		
Operating Revenues .....	\$524,081	\$6,551
Operating Expenses .....	390,050	4,876
Net Operating Revenues .....	134,031	1,675
Other Income .....	4,241	53
Gross Corporate Income .....	138,272	1,728
Fixed Charges (including for Taxes, \$15,724) .....	123,839	1,548
*Surplus .....	14,433	180

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$81,073	\$1,013
Maintenance of Equipment .....	67,729	847
Traffic Expenses .....	5,672	71
Transportation Expenses .....	211,542	2,644
General Expenses .....	24,083	301

Ratio of Operating Expenses to Operating Revenues, 74.4 per cent.

\*This Surplus before deducting \$10,441 for Additions and Betterments and \$13,333 Equipment Trust Notes paid.

APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses .....	28.2%	30.2%	27.5%	27.6%	23.6%	26.2%
For Traffic and Other Operating Expenses .....	45.7%	46.5%	42.0%	42.2%	42.1%	42.3%
For Fixed Charges .....	23.4%	20.6%	17.9%	17.4%	14.3%	14.4%
For Surplus .....	2.7%	2.7%	12.6%	12.8%	20.0%	17.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Miles, yards and sidings .....	9	9	9	9

See Notes, Page 265.



## NEW YORK CENTRAL &amp; HUDSON RIVER R. R.

(Succeeded January 1, 1915, by New York Central R. R.)

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1902-3	3,423	\$77,606,778	\$8,724,304	1909	3,782	\$93,171,861	\$13,696,420
1903-4	3,490	77,682,221	7,415,863	1910	3,785	99,908,478	14,288,672
1905	3,774	86,095,602	10,258,570	1911	3,790	103,954,863	15,304,449
1906	3,784	92,089,769	12,275,908	1912	3,791	109,900,015	13,879,837
1907	3,782	98,369,060	11,083,829	1913	3,753	116,904,304	13,243,558
1908	3,781	83,927,354	8,931,600	1914	*3,774	112,741,061	8,688,672

\*Includes 283 miles trackage.

On January 1, 1915, the New York Central &amp; Hudson River R. R., the Lake Shore &amp; Michigan Southern Ry., the Chicago, Indiana &amp; Southern R. R. and several minor lines were consolidated as the New York Central R. R.

## STOCKS OUTSTANDING

December 31, 1914

Common	\$225,579,170
Stock per mile of road operated	\$59,772

## \*BONDS OUTSTANDING

December 31, 1914

Fixed Interest	336,711,400
Equipment	32,150,605
†Notes	21,152,800
Other	2,000,000

\*Includes \$40,000,000 Refunding and Improvement 4½% bonds issued 1914 and \$27,000,000 bonds assumed during 1913. Does not include \$100,000,000 6% bonds due 1935, convertible into stock at 105, May 1, 1917, to May 1, 1925. †\$20,000,000 Matured May 1, 1915. (Paid off with part proceeds of 6% Convertible bonds). Loans and Bills Payable December 31, 1914 (not included above), \$60,509,800.

Fixed Charges below include \$8,014,145 for Rentals of Leased Lines, \$1,880,525. Other Rentals and \$557,192 for Hire of Equipment—Dr.

## \*INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

(New York Central &amp; Hudson River R. R.—proper.)

	Total	Per Mile
Average miles operated, 3,774.		
Operating Revenues	\$112,741,051	\$29,878
Operating Expenses	84,033,105	22,268
Net Operating Revenues	28,707,946	7,607
Other Income (incl. \$3,178,950 from Rentals)	14,131,514	3,744
Gross Corporate Income	42,839,460	11,351
Fixed Charges (including for Taxes, \$6,162,220)	34,150,788	9,049
Surplus	8,688,672	2,302

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$13,869,996	\$3,675
Maintenance of Equipment	21,598,428	5,723
Traffic Expenses	1,866,687	494
Transportation Expenses	41,846,479	11,088
Miscellaneous Operations and General Expenses	4,853,515	1,286

Ratio of Operating Expenses to Operating Revenues, 74.5 per cent.

\*See Notes regarding Earnings of the New York Central R. R. for 1915.

Other Income above includes \$9,115,760 Dividends on Stock Owned, \$579,455 Interest and Funded Debt owned, and \$705,296 Interest on Other Securities, Loans and Accounts.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses	26.9%	29.6%	27.5%	25.4%	26.9%	25.7%
For Traffic and Other Operating Expenses	38.3%	36.2%	36.0%	36.4%	37.3%	35.9%
For Fixed Charges	27.9%	24.3%	25.7%	25.5%	23.4%	25.3%
For Surplus	6.9%	9.9%	10.8%	12.7%	12.4%	13.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road	2,632,716	3,013,931	2,753,318	2,555,896
Passenger miles per mile of road	538,066	581,104	536,016	513,532
Miles, second and additional main track	2,430	2,427	2,374	2,338
Miles, yards and sidings	3,252	3,202	3,062	2,979

See Notes, Page 266.

NEW YORK, ONTARIO & WESTERN RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901-2	480	\$5,466,696	\$658,959	1908-9	546	\$3,290,170	\$1,343,127
1902-3	548	6,176,518	860,972	1909-10	566	8,578,783	1,312,797
1903-4	548	6,652,484	886,829	1910-11	566	9,295,702	1,142,936
1904-5	548	7,090,889	1,281,277	1911-12	566	8,527,944	473,729
1905-6	546	7,265,058	1,187,501	1912-13	566	9,454,349	1,211,633
1906-7	546	8,202,360	1,654,782	1913-14	568	9,040,012	663,692
1907-8	546	8,121,494	1,520,589	1914-15	*568	8,926,946	612,507

\*Includes 55 miles trackage.

STOCK OUTSTANDING

	June 30, 1915
Common	\$58,113,983
Preferred	4,000

BONDS OUTSTANDING

	June 30, 1915
Fixed Interest	\$28,630,000
Equipment	1,210,000
Gold Notes	200,000

CAPITALIZATION

	Total	Per Mile
Stock	\$58,117,983	\$102,820
Bonds	30,040,000	52,888
Total	88,157,983	155,208

Fixed Charges below include \$268,318 for Rentals, \$198,689 Debit Balance for Hire of Freight Cars, \$13,396 Rent for Other Equipment, and \$10,685 Amortization of Discount on Funded Debt.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 568.		
Operating Revenues	\$8,926,946	\$15,716
Operating Expenses	6,542,996	11,519
Net Operating Revenues	2,383,950	4,198
Other Income (incl. \$14,736 from Rentals)	192,406	338
Gross Corporate Income	2,576,356	4,536
Fixed Charges (including for Taxes, \$242,455)	1,963,849	3,458
Surplus	612,507	1,078

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,144,018	\$2,014
Maintenance of Equipment	1,590,402	2,800
Traffic Expenses	101,817	179
Transportation Expenses (incl. \$173,149 Water Lines)	*3,516,119	6,190
General Expenses	190,640	336

Ratio of Operating Expenses to Operating Revenues, 73.3 per cent.

\*After deducting \$637 Transportation for Investment—Cr.

Other Income above includes \$11,899 Rent from Equipment.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	30.0%	30.7%	27.9%	31.5%	26.7%	26.2%
For Traffic and Other Operating Expenses	41.8%	41.7%	39.3%	41.7%	40.8%	39.3%
For Fixed Charges	21.5%	20.4%	20.3%	21.5%	20.7%	19.9%
For Surplus	6.7%	7.2%	12.5%	5.3%	11.8%	14.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,515,398	1,545,437	1,649,803	1,526,994
Passenger miles per mile of road	129,580	152,627	154,427	152,359
Miles, second and additional main track	207	207	207	206
Miles, yards and sidings	276	274	237	231

See Notes, Page 273.

## NEW YORK, PHILADELPHIA &amp; NORFOLK R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1908	*147	\$2,681,672	\$601,556	1912	*147	\$3,566,191	\$565,475
1909	*147	3,163,265	760,923	1913	*147	3,931,218	483,782
1910	*147	3,466,617	763,459	1914	*147	3,743,272	407,607
1911	*147	3,326,455	509,067				

\*Includes 36 miles of water routes.

## STOCK OUTSTANDING

	December 31, 1914
Common .....	\$2,500,000
Income Bonds (4%) .....	1,000,000

## BONDS OUTSTANDING

	December 31, 1914
Fixed Interest .....	\$2,600,000
Equipment .....	800,000

## CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds .....	\$3,500,000	\$23,810
Bonds .....	3,400,000	23,129
<b>Total</b> .....	<b>6,900,000</b>	<b>46,939</b>

Fixed Charges below include \$3,230 for Rentals, \$91,055 for Hire of Equipment—Dr. balance, and \$40,000 Interest (4%) on Income Bonds.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

		Total	Per Mile
Average miles operated, 147.			
Operating Revenues .....	(1915, \$4,154,985)	\$3,743,272	\$25,464
Operating Expenses .....	(1915, 3,141,199)	3,014,880	20,509
Net Operating Revenues .....	(1915, 1,013,786)	728,392	4,966
Other Income (incl. \$2,422 from Rentals) .....		64,637	440
Gross Corporate Income .....	(1915, \$1,078,754)	793,029	5,385
Fixed Charges (including for Taxes, \$113,186) .....		386,422	2,622
*Surplus .....	(1915, incl. Sinking Funds, \$635,243)	407,607	2,773

## OPERATING EXPENSES

		Total	Per Mile
Maintenance of Way .....	(1915, \$332,251)	\$358,535	\$2,439
Maintenance of Equipment .....	(1915, 883,730)	734,431	4,996
Traffic Expenses .....	(1915, 56,800)	49,440	336
Transportation Expenses .....	(1915, 1,656,800)	1,698,990	11,558
Miscellaneous Operations and General Expenses....		173,494	1,180
Ratio of Operating Expenses to Operating Revenues, 80.5 per cent.			
*This Surplus before deducting \$49,806 appropriations for Sinking and Other Reserve Funds.			
Other Income above includes \$49,806 Income from Sinking and Other Reserve Funds.			

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses.....	23.7%	27.6%	25.2%	23.9%	26.7%	26.8%
For Traffic and Other Operating Expenses .....	50.5%	49.3%	46.9%	45.0%	41.9%	40.9%
For Fixed Charges.....	10.1%	11.0%	11.4%	9.9%	9.5%	8.3%
For Surplus .....	10.7%	12.1%	16.5%	15.2%	21.9%	24.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road .....	2,622,662	2,967,000	2,592,565	2,377,826
Passenger miles per mile of road....	154,480	156,065	144,185	134,000
Miles, second and additional main track .....	..	60	56	49
Miles, yards and sidings .....	..	89	79	79

See Notes, Page 274.

## NEW YORK, SUSQUEHANNA &amp; WESTERN R. R.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1901-2	238	\$2,583,928	1907-8	236	\$3,165,164
1902-3	238	2,626,554	1908-9	236	3,176,096
1903-4	238	2,585,701	1909-10	236	3,356,043
1904-5	238	2,664,084	1910-11	236	3,668,714
1905-6	238	2,671,503	1911-12	239	3,508,948
1906-7	236	3,017,049	1912-13	239	3,590,070
			1913-14	*225	3,738,889

\*The fiscal year has been changed to the calendar year. For the six months July 1 to December 31, 1914, the N. Y., S. & W. R. R. reported: Operating Revenues, \$1,906,029; Operating Expenses, \$1,325,422; Net Operating Revenues, \$580,607; Surplus, \$143,934. †Deficit.

## STOCK OUTSTANDING

June 30, 1914

Common	\$13,000,000
Preferred (4%)	13,000,000

## BONDS OUTSTANDING

June 30, 1914

Fixed Interest	\$15,433,500
Equipment	983,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$26,000,000	\$115,556
Bonds	16,416,500	72,962
Total	42,416,500	188,518

Fixed Charges below include \$106,548 for Rentals, \$189,683 balance—Hire of Equipment—and \$17,697 net loss from Outside Operations.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1914

Average miles operated, 225.	Total	Per Mile
Operating Revenues	\$3,738,889	\$16,617
Operating Expenses	2,501,787	11,119
Net Operating Revenues	1,237,102	5,498
Other Income (incl. \$116,672 from Rentals)	287,404	1,278
Total Net Income	1,524,506	6,776
Fixed Charges (including for Taxes, \$157,624)	1,294,123	5,752
*Surplus	230,383	1,024

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$413,288	\$1,837
Maintenance of Equipment	464,145	2,063
Traffic Expenses	36,179	161
Transportation Expenses	1,503,197	6,681
General Expenses	84,978	377

Ratio of Operating Expenses to Operating Revenue, 69.3 per cent.

\*This Surplus before deducting \$35,950 for Additions and Betterments.

Other Income above includes \$140,160 Dividend Income.

## APPROPRIATION OF GROSS INCOME

	1913-14	1912-13	1911-12	1910-11	1909-10	1908-9
For Maintenance Expenses	21.8%	21.9%	20.3%	19.7%	22.5%	22.9%
For Traffic and Other Operating Expenses	40.4%	41.4%	40.1%	36.7%	37.7%	37.5%
For Fixed Charges	32.1%	31.2%	34.9%	29.7%	34.3%	35.9%
For Surplus	5.7%	5.5%	4.7%	13.9%	5.5%	3.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1913-14	1912-13	1911-12	1910-11
Miles, second and additional main track	30	30	30	26
Miles, yards and sidings	126	124	120	117

See Notes, Page 274.

## PENNSYLVANIA R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1902	3,638	\$112,663,330	\$25,313,436	1909	3,947	\$153,564,527	\$35,159,088
1903	3,656	122,626,419	24,821,892	1910	3,977	160,457,298	37,775,484
1904	3,820	118,145,270	24,741,628	1911	4,018	157,487,413	37,318,851
1905	3,839	123,921,992	30,102,517	1912	4,025	174,607,598	42,153,964
1906	3,897	148,239,882	35,674,301	1913	4,044	185,400,825	41,920,833
1907	3,903	164,812,826	33,575,056	1914	*4,512	187,251,851	34,090,766
1908	3,980	136,296,871	28,207,661				

Note—The figures given above are as stated in the annual reports for the years mentioned. Since the publication of these reports the Company's statements have in a few instances been somewhat revised for the sake of comparison. No changes have been made above.

\*Includes Northern Central R. R. merged July 1, 1914.

## STOCK OUTSTANDING

December 31, 1914.

Common .....	\$499,203,600
Stock, per mile of road operated .....	110,639

## BONDS OUTSTANDING

December 31, 1914.

*Fixed Interest .....	\$196,495,020
Equipment .....	23,468,963
Guaranteed Stock .....	14,193,000
Real Estate .....	2,794,660

\*Includes \$56,594,000 bonds of Acquired Companies.

Fixed Charges below include \$5,566,868 for Rentals of Leased Lines, \$1,432,924 for Other Rentals and \$829,608 Hire of Equipment—Dr.

The Income Account as here presented shows the combined operating results of the Pennsylvania R. R. and Northern Central R. R. (leased July 1, 1914, by the Pennsylvania R. R.) as follows: Operating Revenues, Operating Expenses, Net Operating Revenue and Taxes for period January 1, to December 31; other accounts Pennsylvania R. R. for full year and Northern Central Ry. for six months. It has been necessary to present table in this manner inasmuch as the Report of the Company falls to sub-divide Operating Expenses otherwise than presented below.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

Average miles operated, 4,512.	Total	Per Mile
Operating Revenues .....	(1915, \$196,628,170)	*\$41,501
Operating Expenses .....	(1915, 142,736,561)	\$31,980
Net Operating Revenues .....	(1915, 53,891,609)	9,521
Other Income (incl. \$2,195,227 from Rentals) .....	16,697,279	3,701
Gross Corporate Income .....	(1915, 74,266,929)	13,222
Fixed Charges (including for Taxes *\$7,689,523) .....	25,566,092	5,666
†Surplus ....(1915, after Sinking Funds \$40,478,961)	34,090,765	7,556

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way.....(1915, \$25,328,513)	*\$25,019,606	\$5,545
Maintenance of Equipment .....	(1915, 38,641,078)	8,222
Traffic Expenses .....	(1915, 2,386,064)	513
Transportation Expenses .....	(1915, 68,650,006)	16,010
Miscellaneous Operations and General Expenses....	*7,578,869	1,680

Ratio of Operating Expenses to Operating Revenues 77.1 per cent.

\*Figures are for full year 1914 Pennsylvania R. R. and Northern Central R. R. as stated in the annual report of the Pennsylvania R. R. Figures not designated by \* are for Pennsylvania R. R. full year and Northern Central R. R. six months. Fixed Charges are only approximately correct, it having been necessary to adjust same slightly so that correct surplus might be properly stated. †This Surplus before deducting \$2,230,336 for Additions and Betterments, and \$1,785,243 Income applied to Sinking and other Reserve Funds.

Other Income above includes \$11,438,484 Dividend Income.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses.....	30.5%	30.7%	29.5%	28.0%	28.9%	28.4%
For Traffic and Other Operating Expenses .....	40.3%	36.6%	35.8%	36.8%	35.6%	34.8%
For Fixed Charges .....	12.5%	12.2%	13.0%	13.8%	14.3%	16.1%
For Surplus .....	16.7%	20.5%	21.7%	21.4%	21.2%	20.7%
	1914	1913	1912	1911	1910	1911
Ton miles per mile of road.....	4,899,285	5,759,586	5,469,201	4,833,448		
Passenger miles per mile of road....	447,146	488,723	456,753	428,777		
Miles, second, etc., main track.....	2,410	2,228	2,212	2,198		
Miles, yards and sidings .....	4,153	3,774	3,690	3,662		

See Notes, Page 275.

OF RAILROADS

85

PENNSYLVANIA CO.

Avg. Miles			Avg. Miles			
Year	Oper.	Gross	Year	Oper.	Gross	Surplus
1903	1,526	\$36,602,935	1908	1,416	\$48,631,988	*\$10,881,667
1904	1,526	36,390,582	1910	1,416	54,170,874	19,836,980
1905	1,389	40,596,439	1911	1,416	50,110,590	19,797,535
1906	1,411	46,036,806	1912	11,751	62,950,425	*12,702,639
1907	1,414	51,337,433	1913	11,750	65,835,378	*9,793,102
1908	1,416	39,423,796	1914	11,757	54,698,327	*4,728,072

\*Surplus before deducting Appropriations to Sinking Funds. †Surplus 1910 and 1911 after deducting Sinking Fund payments (\$1,706,169, 1910; \$1,632,446, 1911). ‡Includes Cleveland, Akron & Columbus Ry.

STOCK OUTSTANDING

BONDS OUTSTANDING

December 31, 1914		December 31, 1914	
Common	\$80,000,000	Fixed Interest	\$126,246,548
		Equipment	7,829,983
Loans and Bills Payable, December 31, 1914, \$12,600,000.			

CAPITALIZATION

	Total	Per Mile
Stock	\$80,000,000	\$45,532
Bonds	134,076,531	76,310
Total	214,076,531	121,842

Fixed Charges below include \$9,117,129 for Rentals of Leased Roads, \$632,490 for Other Rentals and \$162,466 for Hire of Equipment—Debit Balance.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 1,757.		
Operating Revenues (1915, \$60,857,677)	\$54,698,327	\$31,132
Operating Expenses (1915, 41,097,778)	41,624,557	23,691
Net Operating Revenues (1915, 19,759,899)	13,073,770	7,441
Other Income (incl. \$533,188 from Rentals)	11,028,161	6,277
Gross Corporate Income (1915, 30,007,323)	24,101,931	13,718
Fixed Charges (including for Taxes, \$3,208,309)	19,373,859	11,027
*Surplus (1915, †\$7,769,723)	4,728,072	2,691

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$7,808,155	\$4,444
Maintenance of Equipment	10,217,897	5,816
Traffic Expenses	946,797	539
Transportation Expenses	20,616,216	11,734
Miscellaneous Operations and General Expenses	2,085,492	1,153

Ratio of Operating Expenses to Operating Revenues, 76.1 per cent.  
\*This Surplus before deducting \$1,911,619 income applied to Sinking and Other Reserve Funds.

†After deducting Sinking Funds.

Other Income above includes \$8,581,364 Dividend Income (\$10,659,281 for 1913) and \$1,583,393 Income from Securities and Accounts.

APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses	27.4%	29.4%	26.8%	23.5%	24.6%	22.6%
For Traffic and Other Operating Expenses	35.9%	34.5%	31.3%	30.5%	30.6%	28.6%
For Fixed Charges	29.5%	23.7%	25.4%	30.1%	30.1%	30.6%
For Surplus	7.2%	12.4%	16.5%	15.4%	14.7%	18.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road	3,803,575	4,975,615	4,742,271	4,491,002
Passenger miles per mile of road	278,461	295,437	280,467	319,341
Miles, second and additional main track	917	929	898	880
Miles, yards and sidings	1,661	1,625	1,580	1,373

See Notes, Page 280.

## PHILADELPHIA, BALTIMORE &amp; WASHINGTON R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1903	704	\$13,650,207	\$2,660,721	1909	717	\$17,543,373	\$2,127,799
1904	708	13,603,863	2,120,079	1910	713	19,021,707	2,231,159
1905	706	14,676,204	2,653,765	1911	713	18,914,244	2,281,315
1906	706	15,941,241	2,782,552	1912	713	20,280,042	2,023,179
1907	715	17,255,572	1,988,876	1913	717	21,164,341	1,375,783
1908	716	16,126,570	1,456,559	1914	717	20,357,563	1,229,153

## STOCK OUTSTANDING

December 31, 1914

Common .....\$25,138,925

## BONDS OUTSTANDING

December 31, 1914

Fixed Interest .....\$25,000,000

Equipment ..... 55,326

Real Estate ..... 424,527

\*Notes ..... 2,816,517

\*Non negotiable Debt to Affiliated Companies.

Loans and Bills Payable, December 31, 1914, \$600,000.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$25,138,925	\$35.061
Bonds .....	28,296,370	39.465
Total .....	53,435,295	74.526

Fixed Charges below include \$683,486 for Rentals of Leased Roads, \$725,281 for Other Rentals—Debit Balance, \$607,565 for Hire of Equipment and \$37,809 Loss from Operation of Leased Roads.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

Average miles operated, 717.	Total	Per Mile
Operating Revenues .....	\$20,357,563	\$28.393
Operating Expenses .....	16,598,035	23.149
Net Operating Revenues .....	3,759,528	5.244
Other Income (incl. \$337,321 from Rentals).....	1,388,644	9.936
Gross Corporate Income .....	5,148,172	7.180
Fixed Charges (including for Taxes, \$673,330).....	3,919,019	5.466
*Surplus .....	1,229,153	1.714

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$3,102,477	\$4.327
Maintenance of Equipment .....	3,766,163	5.252
Traffic Expenses .....	316,011	4.11
Transportation Expenses .....	8,874,996	12.378
General Expenses .....	538,388	7.51

Ratio of Operating Expenses to Operating Revenues, 81.2 per cent.

\*This Surplus being deducting \$223,633 expenditures for Improvement of Equipment.

Other Income above includes \$1,022,955 Dividend Income.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses ..31.6%	32.9%	30.7%	28.7%	30.7%	29.8%	
For Traffic and Other Operating Expenses ..44.7%	44.8%	43.7%	43.7%	42.3%	41.3%	
For Fixed Charges ..18.0%	16.2%	16.3%	16.1%	15.9%	17.3%	
For Surplus ..5.7%	6.1%	9.3%	11.5%	11.1%	11.6%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road.....	1,650,172	1,765,390	1,657,226	1,497,360
Passenger miles per mile of road....	605,329	623,835	588,845	548,221
Miles, second and additional main track .....	360	362	349	346
Miles, yards and sidings .....	384	380	368	354

See Notes, Page 283.

PITTSBURGH & LAKE ERIE R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901	184	\$8,047,167	\$950,642	1908	191	\$10,382,620	\$4,083,799
1902	185	10,093,707	1,372,169	1909	191	14,838,948	7,615,698
1903	191	11,283,045	1,631,469	1910	191	17,052,698	8,189,907
1904	191	10,035,510	1,472,889	1911	215	15,308,561	6,098,561
1905	191	12,837,736	†6,453,634	1912	223	18,162,118	7,223,092
1906	191	14,481,495	*7,418,437	1913	224	19,597,919	6,833,737
1907	191	14,904,401	*7,043,513	1914	*224	15,597,365	4,083,419

\*Includes 28 miles trackage. †See Notes regarding large annual deductions from Surplus for Additions, Betterments, Equipment, etc. Prior to 1905 similar items were included in Operating Expenses.

STOCK OUTSTANDING

December 31, 1914

Common .....\$29,988,000

BONDS OUTSTANDING

December 31, 1914

Fixed Interest .....\$4,000,000  
Equipment .....3,716,525

CAPITALIZATION

	Total	Per Mile
Stock .....	\$29,988,000	\$133,875
Bonds .....	7,716,525	34,449
Total .....	37,704,525	168,324

Fixed Charges below include \$514,158 for Rentals of Leased Lines, \$58,633 for Other Rentals, and \$614,045 Income Transferred to Other Companies (rentals on traffic basis, this item having been \$1,173,171 for 1913).

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

		Total	Per Mile
Average miles operated, 224.			
Operating Revenues .....	(1915, \$18,196,068)	\$15,597,365	\$69,631
Operating Expenses .....	(1915, 8,984,316)	10,351,204	46,211
Net Operating Revenues .....	(1915, 9,211,752)	5,246,161	23,420
Other Income (incl. \$67,414 from Rentals) .....		1,044,155	4,662
Gross Corporate Income .....	(1915, \$10,340,147)	6,290,316	28,082
Fixed Charges (including for Taxes, \$631,596) .....		2,206,897	9,852
Surplus .....	(1915, \$7,568,779)	4,083,419	18,230

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$1,911,610	\$8,534
Maintenance of Equipment .....	3,673,038	16,397
Traffic Expenses .....	173,477	775
Transportation Expenses .....	4,207,119	18,782
Miscellaneous Operations and General Expenses....	335,960	1,723

Ratio of Operating Expenses to Operating Revenues, 66.4 per cent.

Other Income above includes \$568,153 Hire of Equipment—Credit Balance.

APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses.....	33.5%	27.1%	24.1%	24.3%	20.2%	18.7%
For Traffic and Other Operating Expenses .....	28.7%	25.8%	24.4%	26.4%	25.6%	23.8%
For Fixed Charges .....	13.3%	13.8%	12.8%	10.4%	7.0%	7.0%
For Surplus .....	24.5%	33.3%	38.7%	38.9%	47.2%	50.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road .....	7,777,326	10,165,849	9,111,019	8,083,451
Passenger miles per mile of road....	530,971	566,873	514,602	520,631
Miles, second and additional main track .....	261	261	261	252
Miles, yards and sidings .....	588	579	544	519

See Notes, Page 284.



## THE EARNING POWER

## READING CO.

Year	Avg. Miles Oper.	*Gross	†Surplus	Year	Avg. Miles Oper.	*Gross	†Surplus
1907-8	1,007	\$39,878,882	\$11,872,424	1911-12	1,015	\$44,476,525	\$11,551,697
1908-9	1,024	39,060,294	12,019,942	1912-13	1,020	50,562,717	18,732,508
1909-10	1,022	44,214,915	12,909,699	1913-14	1,120	47,123,370	12,161,114
1910-11	1,014	44,365,442	12,428,804	1914-15	1,120	46,714,822	11,022,236

\*Transportation Revenues—Railway. †Total for Railway, Coal Co. and Reading Co.

## STOCK OUTSTANDING

June 30, 1915

Common	\$70,000,000
Preferred 1st (4%)	28,000,000
Preferred 2d (4%)	42,000,000

## \*BONDS OUTSTANDING

June 30, 1915

Reading Co.	\$119,337,331
P. & R. Ry.	27,485,413
P. & R. C. & I. Co.	1,020,000

\*Includes only bonds outstanding in the hands of the public. Does not include bonds owned as follows: by the Reading Co.: \$20,000,000 Purchase Money Loan of Ry. Co.; \$4,820,000 General Mortgage bonds, \$1,030,000 Equipment Certificates, \$1,200,000 Purchase Money bonds of the Reading Co. and \$783,000 C. R. R. of N. J. Collateral bonds; by the P. & R. Ry. Co.: \$1,907,000 of its own bonds. The Fixed Charges below do not include \$1,200,000 and \$2,833,099 respectively paid by the P. & R. Ry. and the P. & R. C. & I. Co. to the Reading Co. for interest on \$20,000,000 Purchase Money Loan and for Rent of Equipment. Other Income below likewise does not include these sums. On June 30, 1915, the Coal Co. owed the Reading Co. \$72,022,371 on capital account.

## CAPITALIZATION

	Total	Per Mile
Stock	\$140,000,000	\$125,000
Bonds	147,842,744	132,002
Total	287,842,744	257,002

Fixed Charges below include \$5,421,827 Fixed Charges of Reading Co.; \$104,297 Expenses Reading Co.; \$5,531,711 Fixed Charges of the P. & R. Ry. (other than paid to Reading Co.), of which \$2,852,190 for Rent of Leased Roads, and \$306,664 Fixed Charges P. & R. C. & I. Co.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 1,120.	Total	Per Mile
Operating Revenues (P. & R. Ry.)	\$46,714,822	\$41,710
Operating Expenses (P. & R. Ry.)	31,125,387	27,791
Net Operating Revenues (P. & R. Ry.)	15,589,435	13,919
Other Income (see below)	6,808,198	6,074
Gross Corporate Income (All Companies)	22,397,633	19,988
Fixed Charges (incl. Taxes R. R., \$1,166,686; R. Co. \$600,162)	11,370,397	10,152
*Surplus (all Companies)	11,027,236	9,841

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,651,073	\$4,158
Maintenance of Equipment	8,370,290	7,473
Traffic Expenses	546,794	488
Transportation Expenses	†16,527,753	14,767
Miscellaneous Operations and General Expenses	1,029,477	919

Ratio of Operating Expenses to Operating Revenues, 66.6 per cent.  
\*This Surplus before deducting \$447,176 for General Mortgage Sinking Fund and before deducting \$1,843,759 for Extraordinary Expenditures, viz.: \$1,161,691 for Additions and Betterments (Ry. Co.) and \$682,068 for New Work at Collieries (Coal Co.). †After deducting \$15,768 transportation for Investment—Cr.

Other Income above includes \$1,049,305 net income of P. & R. Coal & Iron Co., such being the net income before deducting \$682,068 for New Work at Collieries, and \$506,665 for Fixed Charges (last item included under Fixed Charges above).

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	24.4%	25.4%	22.1%	24.9%	23.9%	25.8%
For Traffic and Other Operating Expenses	33.8%	32.1%	29.4%	31.9%	30.6%	29.0%
For Fixed Charges	21.2%	20.5%	16.9%	20.1%	21.0%	21.5%
For Surplus	20.6%	22.0%	31.6%	23.1%	24.5%	25.7%
	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
Ton miles per mile of road	4,313,206	4,556,013	5,353,447	4,721,913		
Passenger miles per mile of road	321,846	363,165	402,731	392,706		
Miles, second, etc., main track	644	639	623	620		
Miles, yards and sidings	1,081	1,075	1,156	1,176		

See Notes, Page 285.

ULSTER & DELAWARE R. R.

Avg. Miles			Avg. Miles				
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1901-2	129	\$651,962	\$50,233	1908-9	129	1,024,439	101,800
1902-3	129	700,118	60,491	1909-10	129	1,139,253	137,196
1903-4	129	784,225	64,436	1910-11	129	1,122,929	56,119
1904-5	129	822,836	80,535	1911-12	129	1,061,015	65,085
1905-6	129	913,837	99,248	1912-13	129	1,138,053	72,701
1906-7	129	888,770	49,003	1913-14	129	1,076,217	23,620
1907-8	129	936,698	1,652	1914-15	129	1,033,734	*58,874

\*Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$1,900,000	Fixed Interest	\$3,000,000

CAPITALIZATION

	Total	Per Mile
Stock	\$1,900,000	\$14,729
Bonds	3,000,000	23,256
Total	4,900,000	37,985

Fixed Charges below include \$635 for Rentals, \$56,303 balance Hire of Freight Cars and \$9,646 Rents for Passenger Train Cars.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 129.		
Operating Revenues	\$1,033,734	\$8,014
Operating Expenses	918,038	7,117
Net Operating Revenues	115,696	897
Other Income (including \$300 Outside Operations)	75,460	585
Gross Corporate Income	191,156	1,482
Fixed Charges (including for Taxes, \$42,394)	250,030	1,938
Deficit	58,874	456

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$160,990	\$1,248
Maintenance of Equipment	219,249	1,700
Traffic Expenses	22,336	173
Transportation Expenses	472,119	3,660
Miscellaneous Operations and General Expenses	43,344	336

Ratio of Operating Expenses to Operating Revenues 88.8 per cent.  
 Other Income above includes \$2,500 Income from Funded Securities, \$3,057 from Rents and \$6,515 from Rent of Passenger Train Cars.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
Operating Expenses	5%	26.1%	26.1%	26.9%	28.6%	24.6%
Other Income	49.2%	46.2%	45.3%	45.4%	43.6%	43.6%
Fixed Charges	22.6%	21.3%	21.7%	21.7%	21.0%	19.8%
Deficit	2.1%	6.4%	6.1%	5.0%	12.0%	
	100.0%	100.0%	100.0%	100.0%	100.0%	
	370,065	376,277	438,409	438,409	355,181	
	102,360	109,246	117,531	117,531	113,369	
		34	31	31	31	

## THE EARNING POWER

## WEST JERSEY &amp; SEASHORE R. R.

Year	Avg. Oper. Miles	Gross	Surplus	Year	Avg. Oper. Miles	Gross	Surplus
1906	321	\$4,260,460	\$68,742	1909	356	\$5,542,101	\$511,124
1904	321	4,307,597	687,861	1910	353	5,981,673	732,533
1905	322	4,652,406	967,202	1911	356	6,247,667	709,594
1906	353	5,206,234	797,648	1912	356	6,395,256	887,580
1907	363	5,664,904	655,194	1913	356	6,405,787	473,394
1908	356	5,114,889	527,184	1914	*356	6,472,599	555,969

\*Includes 34 miles of trackage.

## STOCK OUTSTANDING

December 31, 1914

Common .....	\$3,641,600
Guaranteed .....	82,350
Other .....	23,355

## BONDS OUTSTANDING

December 31, 1914

Fixed Interest .....	\$7,767,000
Equipment .....	8,050
Real Estate .....	46,300
*Other .....	493,464

\*Non-negotiable Debt to Affiliated Companies.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$9,747,305	\$27,390
Bonds .....	8,314,814	23,356
Total .....	18,062,119	50,736

Fixed Charges below include 189,884 for Rentals and \$64,290 balance for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

Average miles operated, 356.		Total	Per Mile
Operating Revenues .....	(1915, \$6,942,485)	\$6,472,599	\$18,182
Operating Expenses .....	(1915, 5,435,685)	5,177,562	14,544
Net Operating Revenues .....	(1915, 1,506,800)	1,295,037	3,633
Other Income .....	(1915, 134,202)	203,071	570
Gross Corporate Income .....	(1915, 1,641,002)	1,498,108	4,203
Fixed Charges (including for Taxes, \$333,144) .....		942,149	2,646
*Surplus .....	(1915, †\$488,922)	555,959	1,563

## OPERATING EXPENSES

	Total	Per Mile	
Maintenance of Way .....	(1915, \$1,218,221)	\$1,039,588	\$2,920
Maintenance of Equipment .....	(1915, 1,033,443)	983,817	2,764
Traffic Expenses .....	(1915, 146,797)	145,833	410
Transportation Expenses .....	(1915, 2,828,593)	2,830,089	7,950
Miscellaneous Operations and General Expenses ....		178,235	500

Ratio of Operating Expenses to Operating Revenues 80.0 per cent.

\*This Surplus before deducting \$84,271, amount applied to Sinking Fund and Other Reserve Funds.

†Other Income above includes \$184,226 from Rentals.

†After deducting Sinking Fund payments.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses .....	30.3%	31.3%	28.6%	29.7%	29.4%	29.0%
For Traffic and Other .....	47.3%	47.1%	44.6%	45.8%	45.5%	44.6%
For Fixed Charges .....	14.1%	14.4%	13.5%	13.3%	13.0%	11.9%
For Surplus .....	8.3%	7.2%	13.3%	11.2%	12.1%	14.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road.....	262,082	276,145	283,873	257,796
Passenger miles per mile of road....	815,345	839,325	819,824	806,808
Miles, second and additional main track .....	138	138	138	138
Miles, yards and sidings .....	119	118	115	115

See Notes, Page 289.

ANN ARBOR R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1901-2	292	\$1,893,410	\$187,857	1908-9	301	\$1,708,481	\$22,244
1902-3	292	2,037,215	266,131	1909-10	292	1,856,160	90,292
1903-4	292	1,979,047	175,853	1910-11	292	1,934,616	163,146
1904-5	292	1,922,593	266,299	1911-12	292	2,120,385	180,384
1905-6	292	2,175,231	430,705	1912-13	292	2,084,696	153,502
1906-7	296	2,182,518	377,473	1913-14	292	2,096,169	80,994
1907-8	296	1,882,782	60,396	1914-15	292	*2,310,902	100,757

\*Outside Operations included (comparing with \$2,294,466 for 1913-14 on similar basis).

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$3,250,000	Fixed Interest	\$7,000,000
Preferred (5%)	4,000,000	Equipment	651,514
		*Notes (6%) due 1916	560,000

\*Does not include \$158,000 Notes held in Treasury, and \$32,000 pledged. Notes are secured by pledge of \$1,500,000 Improvement and Extension Mortgage 5% Bonds.

CAPITALIZATION

	Total	Per Mile
Stock	\$7,250,000	\$24,829
Bonds	8,211,514	28,121
Total	15,461,514	52,950

Fixed Charges below include \$74,906 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

(Boat Operation included in Revenues and Expenses.)

	Total	Per Mile
Average miles operated, 292.		
Operating Revenues	\$2,310,902	\$7,914
Operating Expenses	1,645,879	5,637
Net Operating Revenues	665,023	2,277
Other Income (including \$30,472 from Rentals)	34,291	118
Gross Corporate Income	699,314	2,395
Fixed Charges (including for Taxes, \$144,900)	598,557	2,050
Surplus	100,757	345

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$245,682	\$841
Maintenance of Equipment	314,401	1,077
Traffic Expenses	61,346	210
Transportation Expenses	928,700	3,181
Miscellaneous Operating and General Expenses	95,750	328

Ratio of Operating Expenses to Operating Revenues 68.5 per cent.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	23.9%	24.1%	25.8%	21.9%	25.4%	28.2%
For Traffic and Other						
Operating Expenses	46.3%	44.5%	41.1%	43.5%	40.3%	39.1%
For Fixed Charges	25.5%	27.6%	25.9%	26.3%	26.1%	28.0%
For Surplus	4.3%	3.8%	7.2%	8.3%	8.2%	4.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	934,045	952,095	957,819	942,006
Passenger miles per mile of road	88,578	101,570	103,253	107,459
Miles, yards and sidings	109	108		107

See Notes, Page 290.

## CHICAGO &amp; ALTON R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1901-2	920		\$9,225,739	\$825,841	1908-9	988		\$12,500,682	\$1,656,261
1902-3	915		10,071,092	880,769	1909-10	988		13,358,475	1,071,988
1903-4	915		11,425,853	1,324,146	1910-11	1,025		14,592,519	157,474
1904-5	915		11,797,314	1,602,885	1911-12	1,025		14,535,722	1303,722
1905-6	970		11,586,094	1,009,980	1912-13	1,025		15,254,865	11,833,291
1906-7	970		12,809,426	1,827,561	1913-14	1,033		14,156,275	12,762,290
1907-8	994		12,087,735	1,320,912	1914-15	*1,050		14,245,624	11,690,156

\*Includes 37 miles of trackage. †Deficit.

## STOCK OUTSTANDING

	June 30, 1915
Common	\$19,542,800
Preferred (4%)	19,544,000
*Preferred (4%)	868,700

## BONDS OUTSTANDING

	June 30, 1915
†Fixed Interest	\$85,164,000
Equipment	1,596,092
Guaranteed Stock	3,693,200
Other	87,182

\*Cumulative. "Prior Lien and Participating Preferred Stock."

†Includes \$16,834,000 General Mortgage 6% Bonds due 1922, issued 1912-13 to 1914-15.

Loans and Bills Payable, June 30, 1915, \$1,675,000.

## CAPITALIZATION

	Total	Per Mile
Stock	\$39,955,500	\$38,053
Bonds	90,490,474	86,122
Total	130,445,974	124,235

Fixed Charges below include \$283,843 for Rentals, \$500,993 Hire of Equipment—Dr., \$250,240 Guaranteed Dividends and Interest on Securities of Subsidiary Companies and \$123,316 Amortization of Discount on Funded Debt.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,050.		
Operating Revenues	\$14,245,624	\$13,567
Operating Expenses	11,072,707	10,545
Net Operating Revenues	3,172,917	3,022
Other Income (including \$66,387 from Rentals)	97,237	92
Gross Corporate Income	3,270,154	3,114
Fixed Charges (including for Taxes, \$508,839)	4,960,310	4,724
Deficit	1,690,156	1,610

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,647,541	\$1,569
Maintenance of Equipment	3,334,943	3,176
Traffic Expenses	436,498	416
Transportation Expenses	*5,176,770	4,931
Miscellaneous Operations and General Expenses	476,955	454

Ratio of Operating Expenses to Operating Revenues 77.7 per cent.

\*After deducting \$39,677 Transportation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	34.7%	39.8%	38.7%	31.6%	28.3%	22.4%
For Traffic and Other						
Operating Expenses	42.5%	46.1%	45.2%	43.3%	43.2%	42.3%
For Fixed Charges	34.6%	34.0%	28.4%	37.2%	27.4%	27.3%
For Surplus		Deficit	Deficit	Deficit	1.1%	8.0%

100.0% 100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,367,001	1,417,832	1,722,506	1,576,270
Passenger miles per mile of road	188,805	211,581	209,952	205,285
Miles, second and additional main track	256	195	195	193
Miles, yards and sidings	449	441	418	393

See Notes, Page 291.

CHICAGO & EASTERN ILLINOIS R. R.

Receivers appointed May 27, 1913.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901-2	730	\$6,277,494	\$1,448,882	1908-9	966	\$10,269,619	\$695,171
1902-3	743	7,723,848	2,104,711	1909-10	966	11,750,356	1,175,790
1903-4	752	8,664,042	1,745,218	1910-11	*1,275	14,880,409	1,541,767
1904-5	880	8,423,378	780,466	1911-12	*1,275	15,215,513	1,067,799
1905-6	948	9,928,563	1,144,958	1912-13	*1,275	16,214,972	†449,366
1906-7	948	11,337,714	1,670,168	1913-14	*1,283	15,544,286	†1,525,892
1907-8	957	10,742,731	1,136,228	1914-15	*1,282	14,210,602	†1,844,497

\*Includes Evansville Terre Haute R. R. (310 miles) merged, and 159 miles of trackage (1914-15). †Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$7,217,800	†Fixed Interest	\$60,878,150
Preferred (6%)	11,070,400	Equipment	4,502,000
Other	11,299	Receiver's Certificates	6,000,000

\*Does not include \$6,408,300 Common Stock held in trust and \$1,121,300 Preferred Stock in Treasury. †Does not include \$2,276,850 Bonds in Treasury; most of the Bonds outstanding are in default. (see Notes).

Loans and Bills Payable, June 30, 1915, \$5,101,114.

CAPITALIZATION

	Total	Per Mile
Stock	\$18,299,499	\$14,274
Bonds	71,380,150	55,679
Total	89,679,649	69,953

Fixed Charges below include \$766,601 for Rentals and \$2,262,096 Interest accrued but not paid on various Bonds, Bills Payable, etc.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,282.		
Operating Revenues	\$14,210,602	\$11,085
Operating Expenses	11,605,905	9,053
Net Operating Revenues	2,604,697	2,032
Other Income (including \$59,258 Hire of Equipment)	583,367	455
Gross Corporate Income	3,188,064	2,487
Fixed Charges (including for Taxes, \$636,000)	5,032,561	3,926
Deficit	1,844,497	1,439

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,252,547	\$1,767
Maintenance of Equipment	3,171,644	2,474
Traffic Expenses	282,201	220
Transportation Expenses	*5,361,115	4,182
Miscellaneous Operations and General Expenses	538,399	420

Ratio of Operating Expenses to Operating Revenues 81.7 per cent.

\*After deducting \$13,682 Transportation for Investment—Cr.

Other Income above includes \$251,599 from Rentals.

The statistics below refer to the merged System for 1910-11 and subsequent years, and for the Chicago & Eastern Illinois R. R. proper for previous years.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	36.7%	37.8%	33.9%	26.4%	24.5%	25.0%
For Traffic and Other Operating Expenses	41.8%	40.0%	40.5%	41.4%	39.4%	38.0%
For Fixed Charges	34.0%	31.3%	28.2%	25.6%	26.3%	27.0%
For Surplus	Deficit	Deficit	Deficit	6.6%	9.8%	9.4%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,522,213	1,724,429	1,824,851	1,651,205
Passenger miles per mile of road	116,696	129,773	131,630	127,334
Miles, second and additional main track	335	210	210	177
Miles, yards and sidings	720	712	674	670

See Notes, Page 293.

## CHICAGO &amp; NORTHWESTERN RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901-2	5,760	\$46,644,121	\$10,574,826	1908-9	7,635	\$65,978,471	\$13,935,294
1902-3	6,332	49,842,781	10,389,261	1909-10	7,629	74,175,685	12,298,497
1903-4	7,404	53,334,634	9,399,742	1910-11	7,719	74,918,186	12,603,100
1904-5	7,408	55,745,275	10,417,822	1911-12	7,859	73,698,591	11,467,330
1905-6	7,429	63,481,577	14,800,552	1912-13	7,974	83,035,921	14,875,013
1906-7	7,551	68,878,931	15,740,566	1913-14	8,071	83,677,051	12,306,142
1907-8	7,631	63,219,344	13,638,691	1914-15	8,108	80,779,675	11,914,049

## \*STOCK OUTSTANDING

June 30, 1915

Common	\$130,117,029
Preferred (7%)	22,395,120

\*Does not include \$2,338,502 Common Stock and \$3,835 Preferred Stock in Treasury. †See Notes as to provisions governing the payment of dividends. ‡Does not include \$3,241,000 Bonds and Equipment Certificates in Sinking Fund. \$3,600,000 Equipment Certificates owned by Company and \$4,308,000 Bonds owned by Company and due from Trustee.

## ‡BONDS OUTSTANDING

June 30, 1915

Fixed Interest	\$198,944,000
Equipment	8,396,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$152,512,149	\$18,810
Bonds	307,340,000	25,572
Total	359,852,149	41.382

Fixed Charges below include \$1,066,043 for Rentals.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 8,108.		
Operating Revenues	\$80,779,675	\$9,963
Operating Expenses	56,371,573	6,953
Net Operating Revenues	24,408,102	3,010
Other Income (including \$484,442 from Rentals)	2,800,000	345
Gross Corporate Income	27,208,102	3,355
Fixed Charges (including for Taxes, \$4,516,943)	15,294,053	1,886
*Surplus	11,914,049	1,469

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$10,450,739	\$1,289
Maintenance of Equipment	12,648,935	1,560
Traffic Expenses	1,288,448	159
Transportation Expenses	†29,614,905	3,653
Miscellaneous Operations and General Expenses	2,368,546	292

Ratio of Operating Expenses to Operating Revenues 69.8 per cent.

\*This Surplus before deducting \$204,064 Sinking Fund payments.  
 †Transportation Expenses, \$29,753,443, less Transportation for Investment—Cr., \$138,539.

Other Income above includes \$1,600,227 Dividend Income: the larger part of this latter item represents Dividends received on C., St. P., M. & O. Ry Stock.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	27.6%	28.1%	26.7%	24.6%	24.8%	26.0%
For Traffic and Other						
Operating Expenses	39.9%	40.5%	40.7%	43.9%	43.2%	42.0%
For Fixed Charges	18.3%	17.2%	15.4%	16.6%	15.8%	16.0%
For Surplus	14.2%	14.2%	17.2%	14.9%	16.2%	16.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	706,685	771,802	787,525	654,871
Passenger miles per mile of road	139,606	145,388	138,633	157,485
Miles, second and additional main track	1.106	1.106	1.106	1.091
Miles, yards and sidings	3.407	3.364	3.279	3.222

See Notes, Page 295.

CHICAGO, BURLINGTON & QUINCY R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901-2	8,109	\$53,795,246	\$10,083,011	1908-9	9,282	\$79,414,357	\$12,338,136
1902-3	8,391	62,638,379	13,326,108	1909-10	*9,023	87,869,517	13,308,746
1904-4	8,799	69,228,192	12,814,917	1910-11	*9,071	88,272,208	16,843,762
1904-5	8,871	65,973,046	13,804,778	1911-12	*9,074	86,723,068	14,106,754
1905-6	8,896	74,146,671	12,742,431	1912-13	*9,109	94,374,486	19,480,746
1906-7	9,122	82,473,251	13,158,207	1913-14	*9,139	92,750,334	17,114,407
1907-8	9,236	78,459,064	12,115,489	1914-15	*9,339	91,125,061	19,041,919

\*Does not include operations of Quincy, Omaha & Kansas City R. R. (262 miles), previously included.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$110,839,100	*Fixed Interest	\$181,690,000
*Does not include \$21,850,400 Bonds owned by Company.		Bonds in Sinking Fund and \$11,002,600	

CAPITALIZATION

	Total	Per Mile
Stock	\$110,839,100	\$11,888
Bonds	181,690,000	19,455
Total	292,529,100	31,323
Fixed Charges below include \$1,154,171 for Joint Facility Rents, \$63,206 for Other Rentals and \$333,069 for Hire of Equipment.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 9,339.		
Operating Revenues	\$91,125,061	\$9,757
Operating Expenses	60,441,367	6,472
Net Operating Revenues	30,683,694	3,285
Other Income (including \$202,473 Hire of Equipment)	1,224,069	131
Gross Corporate Income	31,907,763	3,416
Fixed Charges (including for Taxes, \$4,081,508)	12,865,844	1,377
*Surplus	19,041,919	2,039

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$11,360,210	\$1,216
Maintenance of Equipment	15,415,123	1,661
Traffic Expenses	1,629,676	174
Transportation Expenses	29,117,164	3,118
Miscellaneous Operations and General Expenses	2,919,194	313

Ratio of Operating Expenses to Operating Revenues 66.3 per cent.  
 \*This Surplus before deducting \$3,340,669 for Additions and Betterments and \$1,753,007 Sinking Fund payments. (Prior to 1913-14 Sinking Fund Payments were included in Fixed Charges.)

Other Income above included \$505,494 from Joint Facility Rents and \$140,704 from Miscellaneous Rents.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	29.0%	29.6%	29.8%	31.3%	30.0%	34.1%
For Traffic and Other						
Operating Expenses	36.5%	36.4%	35.4%	36.9%	35.8%	35.6%
For Fixed Charges	13.9%	15.9%	14.6%	15.9%	15.6%	15.6%
For Surplus	20.6%	18.1%	20.2%	15.9%	18.6%	14.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	913,068	942,339	965,083	845,900
Passenger miles per mile of road	115,561	126,058	125,139	121,314
Miles, second and additional main track	889	878	786	727
Miles, yards and sidings	2,972	2,920	2,854	2,779

See Notes, Page 297.



## CHICAGO GREAT WESTERN R. R.

Chicago Great Western R. R. (757 miles), Mason City & Ft. Dodge R. R. (375 miles), Wisconsin, Minnesota & Pacific R. R. (206 miles) and trackage (86 miles).

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1909-10	1,498	\$12,074,743	\$360,536	1912-13	1,496	\$14,000,613	\$1,245,039
1910-11	1,492	12,618,642	767,908	1913-14	1,496	14,260,522	866,980
1911-12	1,496	12,795,242	183,609	1914-15	*1,428	13,920,685	868,194

\*Includes 86 miles trackage; does not include 69 miles leased to other Companies.

## STOCK OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$45,246,913	Fixed Interest	\$37,910,000
*Preferred (4%)	43,902,902	Miscellaneous	41,925
*Cumulative after June 30, 1914.		includes \$12,000,000 M. C. & Ft. D.	
R. R. First Mortgage 4% Bonds and	\$29,000	W. M. & P. R. R. 4% Bonds (see Notes). Does not include	\$320,500
R. R. 4% Bonds in Treasury and	\$3,101,500	Bonds of that issue held in Treasury, not available for sale at	June 30, 1915.

## BONDS OUTSTANDING

	Total	Per Mile
Stock	\$89,149,815	\$62,480
Bonds	37,951,925	26,577
Total	127,101,740	89,007
Fixed Charges below include \$683,927 for Joint Facility Rents, \$31,816 for Other Rentals, and \$487 Hire of Equipment—Debit Balance.		

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,428.		
Operating Revenues	\$18,920,685	\$9,748
Operating Expenses	10,446,567	7,315
Net Operating Revenues	3,474,118	2,433
Other Income (including \$175,817 from Rentals)	246,218	172
Gross Corporate Income	3,720,336	2,605
Fixed Charges (including for Taxes, \$580,026)	2,852,146	1,997
Surplus	868,194	608

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,876,924	\$1,315
Maintenance of Equipment	2,398,216	1,679
Traffic Expenses	561,526	398
Transportation Expenses	*5,189,941	3,599
Miscellaneous Operations and General Expenses	469,960	329

Ratio of Operating Expenses to Operating Revenues 75.0 per cent.  
\*After deducting \$10,789 Transportation for Investment—Credit.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1909-10
For Maintenance Expenses	30.2%	30.5%	26.5%	26.7%	25.2%
For Traffic and Other Operating Expenses	43.6%	44.7%	45.9%	50.7%	49.2%
For Fixed Charges	20.1%	18.6%	18.8%	21.2%	22.6%
For Surplus	6.1%	6.2%	8.8%	1.4%	8.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	965,400	911,648	894,070	813,890
Passenger miles per mile of road	110,401	107,069	102,925	96,004
Miles, second and additional main track	*129	128	105	105
Miles, yards and sidings	*559	549	544	537

\*Includes 70 miles of second track and 53 miles of sidings operated under trackage rights.

See Notes, Page 299.

**CHICAGO, INDIANA & SOUTHERN R. R.**

(Merged into New York Central R. R. January 1, 1915)

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1905	...	\$2,115,044	\$159,011	1910	341	3,739,668	314,798
1906	340	2,332,732	283,160	1911	359	3,822,612	14,685
1907	340	3,004,483	223,180	1912	359	4,235,819	57,784
1908	341	2,674,191	†152,982	1913	359	4,487,659	†118,378
1909	353	3,233,313	50,079	1914	*359	4,205,196	†426,606

\*Includes 37 miles of trackage. †Deficit.

**STOCK OUTSTANDING**

December 31, 1914

Common	\$15,000,000
Preferred (4%)	5,000,000

**BONDS OUTSTANDING**

December 31, 1914

Fixed Interest	\$20,000,000
Equipment	3,886,010
*Notes	4,865,469

\*Non-negotiable Debt to Affiliated Companies—L. S. & M. S. Ry.

**CAPITALIZATION**

	Total	Per Mile
Stock	\$20,000,000	\$55,710
Bonds	28,281,479	78,779
Total	48,281,479	124,489

Fixed Charges below include \$101,535 for Rentals.

**INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914**

	Total	Per Mile
Average miles operated, 359.		
Operating Revenues	\$4,205,196	\$11,714
Operating Expenses	3,528,133	9,819
Net Operating Revenues	680,063	1,896
Other Income (including \$241,856 from Rentals)	465,043	1,285
Gross Corporate Income	1,145,111	3,190
Fixed Charges (including for Taxes, \$225,527)	1,571,717	4,378
Deficit	42,606	1,188

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$572,926	\$1,596
Maintenance of Equipment	1,187,787	3,308
Traffic Expenses	107,074	298
Transportation Expenses	1,506,981	4,198
Miscellaneous Operations and General Expenses	150,366	419

Ratio of Operating Expenses to Operating Revenues 83.8 per cent.

Other Income above includes \$209,673 Hire of Equipment—Credit Balance.

**APPROPRIATION OF GROSS INCOME**

	1914	1913	1912	1910	1909
For Maintenance Expenses	37.7%	37.9%	34.4%	30.6%	27.1%
For Traffic and Other					
Operating Expenses	37.8%	35.7%	34.3%	36.8%	36.9%
For Fixed Charges	33.7%	28.7%	30.1%	32.3%	33.2%
For Surplus	Deficit	Deficit	1.2%	0.8%	1.3%
			100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road	2,376,655	2,607,153	2,520,798	2,390,058
Passenger miles per mile of road	51,750	54,208	47,951	48,039
Miles, second and additional main track	85	85	85	85
Miles, yards and sidings	238	...	228	183

See Notes, Page 302.

## CHICAGO, INDIANAPOLIS &amp; LOUISVILLE RY.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1901-2	535		\$4,581,158	\$386,175	1906-9	616		\$5,319,356	\$502,887
1902-3	554		5,066,131	1,109,233	1909-10	616		6,020,242	861,580
1903-4	592		5,300,623	1,119,362	1910-11	617		6,186,879	712,587
1904-5	592		5,609,751	1,114,949	1911-12	617		6,503,653	409,160
1905-6	592		5,921,001	1,197,636	1912-13	617		6,985,944	538,361
1906-7	600		5,988,867	995,026	1913-14	618		6,944,005	145,798
1907-8	611		5,167,160	362,363	1914-15	*621		6,559,665	239,773

\*Includes 104 miles of trackage.

## STOCK OUTSTANDING

	June 30, 1915
Common	\$10,500,000
Preferred (4%)	5,000,000

## BONDS OUTSTANDING

	June 30, 1915
Fixed Interest	\$16,500,000
Equipment	1,695,000
Other	28,930

Loans and Bills Payable, June 30, 1915, \$1,012,000.

## CAPITALIZATION

	Total	Per Mile
Stock	\$15,500,000	\$24,980
Bonds	18,223,930	29,346
Total	33,723,930	54,306

Fixed Charges below include \$588,676 for Rentals and \$28,675 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 621		
Operating Revenues	\$8,559,665	\$10,563
Operating Expenses	4,679,021	7,533
Net Operating Revenues	1,881,644	3,030
Other Income (including \$41,357 from Rentals)	232,181	374
Gross Corporate Income	2,113,825	3,404
Fixed Charges (including for Taxes, \$318,497)	1,874,052	3,018
Surplus	239,773	386

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	721,224	\$1,161
Maintenance of Equipment	1,097,986	1,768
Traffic Expenses	242,834	391
Transportation Expenses	*2,401,801	3,868
Miscellaneous Operations and General Expenses	214,176	345

Ratio of Operating Expenses to Operating Revenues 71.3 per cent.

\*After deducting \$2,164 Transportation for Investment—Credit.

Other Income above includes \$6,788 from Rent of Equipment.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	26.8%	29.5%	28.3%	27.7%	26.8%	26.8%
For Traffic and Other						
Operating Expenses	42.1%	43.1%	42.1%	43.5%	40.4%	37.3%
For Fixed Charges	27.6%	25.4%	22.2%	22.7%	22.2%	23.1%
For Surplus	3.5%	2.0%	7.4%	6.1%	11.1%	13.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	903,381	1,021,932	1,019,016	835,965
Passenger miles per mile of road	140,087	149,993	142,375	143,207
Miles, yards and sidings	276	278	274	286

See Notes, Page 302.

## OF RAILROADS

99

### CHICAGO, MILWAUKEE & ST. PAUL RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1902-3	6,647	\$47,662,738	\$11,578,350	1909-10	7,512	\$64,846,894	\$18,681,784
1903-4	6,829	48,330,335	11,425,976	1910-11	7,512	64,975,395	16,358,314
1904-5	6,908	49,834,114	12,478,783	1911-12	7,511	63,122,743	9,930,446
1905-6	6,961	55,423,053	15,547,320	1912-13	*9,612	*94,084,055	*18,140,745
1906-7	7,050	60,548,554	13,866,775	1913-14	*9,684	*91,782,691	*15,476,286
1907-8	7,500	56,932,620	11,547,530	1914-15	*10,063	*91,435,374	*11,968,282
1908-9	7,512	59,897,463	12,881,832				

\*Includes mileage and operations of Chicago, Milwaukee & Puget Sound Ry., merged January 1, 1913.

#### STOCK OUTSTANDING

June 30, 1915	
Common .....	\$117,361,400
*Preferred (7%) .....	116,274,900

#### BONDS OUTSTANDING

June 30, 1915	
†Fixed Interest .....	\$356,146,655

\*See Notes for provisions governing payment of Dividends. †Includes Bonds of C. M. & Puget Sound Ry. assumed. Does not include \$123,893,800 Bonds held in Treasury and \$2,092,700 Bonds held in Insurance and Sinking Funds.

#### CAPITALIZATION

	Total	Per Mile
Stock .....	\$233,636,300	\$23,240
Bonds .....	356,146,655	35,427
<b>Total</b> .....	<b>589,782,955</b>	<b>58,667</b>

Fixed Charges below include \$871,504 for Rentals and \$173,809 for Hire of Equipment.

#### INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 10,053.		
Operating Revenues .....	\$91,435,374	\$9,095
Operating Expenses .....	61,971,701	6,164
Net Operating Revenues .....	29,463,673	2,931
Other Income (including \$487,988 from Rentals) .....	3,649,713	363
Gross Corporate Income .....	33,113,386	3,294
Fixed Charges (including for Taxes, \$4,746,721) .....	21,145,104	2,103
<b>Surplus</b> .....	<b>11,968,282</b>	<b>1,191</b>

#### OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$10,377,185	\$1,032
Maintenance of Equipment .....	13,737,535	1,366
Traffic Expenses .....	1,756,801	175
Transportation Expenses .....	*33,514,606	3,334
Miscellaneous Operations and General Expenses....	2,585,574	257

Ratio of Operating Expenses to Operating Revenues 67.3 per cent.

\*Transportation Expenses \$35,697,961, less Transportation for Investment—Cr., \$2,183,355.

Other Income above includes \$342,257 from Interest on Bonds, \$515,191 Dividends on Stocks, and \$1,974,565 Interest on Other Securities, Loans and Accounts.

#### APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses ..	25.4%	24.9%	24.9%	26.1%	21.7%	21.7%
For Traffic and Other .....						
Operating Expenses .....	39.8%	38.3%	39.1%	41.4%	39.4%	38.4%
For Fixed Charges .....	22.2%	19.6%	17.5%	18.5%	17.7%	14.8%
For Surplus .....	12.6%	19.2%	18.5%	14.0%	21.2%	25.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12	1910-11
Ton miles per mile of road.....	814,283	834,333	891,600	891,600	679,732
Passenger miles per mile of road.....	85,393	94,215	89,703	89,703	91,065
Miles, second and additional main track .....	1,146	1,035	790	790	680
Miles, yards and sidings .....	3,332	3,299	3,188	3,188	2,458

See Notes, Page 304.

## CHICAGO, ST. PAUL, MINNEAPOLIS &amp; OMAHA RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1903	1,660	\$12,055,271	\$2,751,728	1909-10	1,739	15,095,023	2,615,285
1904-5	1,683	11,926,000	2,641,130	1910-11	1,743	16,092,851	2,816,356
1905-6	1,693	12,943,750	3,018,140	1911-12	1,745	15,135,426	2,084,603
1906-7	1,705	14,085,309	2,843,233	1912-13	1,747	16,993,004	2,278,933
1907-8	1,725	12,865,694	2,106,054	1913-14	1,748	17,992,371	2,021,615
1908-9	1,734	13,524,650	2,262,240	1914-15	*1,753	17,841,348	2,219,086

\*Includes 70 miles of trackage.

## \*STOCK OUTSTANDING

June 30, 1915		BONDS OUTSTANDING	
Common	Preferred (7%)	Fixed Interest	Total
\$18,559,087	11,259,912	\$39,337,000	

†Does not include \$2,844,207 Common Stock and \$1,386,922 Preferred Stock in Treasury. †The Common Stock may not receive Dividends at a higher rate per cent. than that paid on the Preferred Stock. †Does not include \$50,634 Bonds in Treasury.

## CAPITALIZATION

	Total	Per Mile
Stock	\$29,818,998	\$17.010
Bonds	39,337,000	22.440
Total	69,155,998	39.450

Fixed Charges below include \$673,696 for Rentals.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,753.		
Operating Revenues	\$17,841,348	\$10.178
Operating Expenses	12,107,598	6.907
Net Operating Revenues	5,733,750	3.271
Other Income (including \$269,812 Rental Income)	355,495	.203
Gross Corporate Income	6,089,245	3.474
Fixed Charges (including for Taxes, \$1,015,029)	3,870,160	2.208
Surplus	2,219,086	1.266

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,956,803	\$1.116
Maintenance of Equipment	2,476,957	1.413
Traffic Expenses	344,363	.196
Transportation Expenses	*6,717,858	3.833
Miscellaneous Operations and General Expenses	611,617	.349

Ratio of Operating Expenses to Operating Revenues 67.9 per cent.

\*After deducting \$19,839 Transportation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	24.4%	26.8%	25.5%	22.6%	23.6%	24.4%
For Traffic and Other Operating Expenses	42.1%	42.4%	43.5%	45.4%	42.1%	40.5%
For Fixed Charges	21.3%	19.7%	17.8%	18.4%	17.0%	17.9%
For Surplus	12.2%	11.1%	13.2%	13.6%	17.3%	17.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	762,182	740,357	722,952	625,887
Passenger miles per mile of road	143,928	152,569	134,256	126,636
Miles, second and additional main track	183	183	157	120
Miles, yards and sidings	...	...	...	572

See Notes, Page 306.

**CHICAGO, TERRE HAUTE & SOUTHEASTERN RY.**

*Successor to the Southern Indiana Ry. and Chicago Southern Ry.*

Avg. Miles			Avg. Miles				
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1910-11	*350	\$1,993,981	\$212,631	1913-14	*373	\$2,162,058	\$51,286
1911-12	*351	1,827,361	250,401	1914-15	*373	2,186,268	20,153
1912-13	*359	1,929,552	248,106				

\*A large portion of this mileage is operated for freight only, passenger service not having been established on the Chicago Division.

**STOCK OUTSTANDING**

**BONDS OUTSTANDING**

June 30, 1915		June 30, 1915	
Common	\$4,300,000	Fixed Interest	\$12,028,000
*Income Bonds (5%)	6,336,055	Equipment	730,000
		†Time Loans	1,480,000

\*Cumulative from December 1, 1912. †Secured by \$1,979,000 First & Refunding Bonds, not included above.

**CAPITALIZATION**

	Total	Per Mile
Stock and Income Bonds	\$10,636,055	\$28,515
Bonds	14,238,000	38,172
<b>Total</b>	<b>24,874,055</b>	<b>66,687</b>

Fixed Charges below include \$26,991 for Rentals and \$133 for Rent of Equipment.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

	Total	Per Mile
Average miles operated, 373.		
Operating Revenues	\$2,186,268	\$5,861
Operating Expenses	1,612,431	4,323
Net Operating Revenues	573,837	1,538
Other Income (including \$241,080 Hire of Equipment)	265,593	712
Gross Corporate Income	839,430	2,250
Fixed Charges (including for Taxes, \$134,641)	819,277	2,196
Surplus	20,153	54

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$298,609	\$788
Maintenance of Equipment	486,720	1,305
Traffic Expenses	41,823	112
Transportation Expenses	667,924	1,791
Miscellaneous Operations and General Expenses	129,355	347

Ratio of Operating Expenses to Operating Revenues 73.8 per cent.

Other Income above includes \$19,276 from Rent Income and \$1,119 from Rent from Locomotives and Work Equipment. In each of the years 1912-13 and 1913-14 there was included in Other Income over \$450,000 from Hire of Equipment.

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	31.4%	35.3%	30.4%	26.8%	28.9%
For Traffic and Other Operating Expenses	34.2%	32.1%	31.7%	33.1%	33.9%
For Fixed Charges	33.4%	30.7%	27.7%	28.5%	27.6%
For Surplus	0.8%	1.9%	10.2%	11.6%	9.6%
	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	911,673	887,354	764,706	712,587
Passenger miles per mile of road (212 miles)	65,909	62,462	52,734	49,928
Miles, second and additional main track	17	17	17	17
Miles, yards and sidings	184	...	181	178

See Notes, Page 307.

## CINCINNATI, HAMILTON &amp; DAYTON RY.

(Receivers Appointed July 2, 1914.)

Year	Avg. Miles		Gross	Deficit	Year	Avg. Miles		Gross	Deficit
	Oper.					Oper.			
1904-5	1,032		\$8,008,918	\$363,779	1910-11	1,020		\$9,570,282	\$661,046
1905-6	1,038		8,398,418	1,147,631	1911-12	1,015		9,825,321	617,887
1906-7	1,038		8,946,935	861,354	1912-13	1,015		10,071,297	1,643,066
1907-8	1,038		7,960,612	1,673,902	1913-14	1,015		10,084,217	3,814,462
1908-9	1,036		7,897,048	1,691,922	1914-15	*1,011		9,725,972	3,093,186
1909-10	1,036		9,446,524	720,263					

\* Includes 32 miles trackage.

## STOCK OUTSTANDING

June 30, 1915

Common	\$7,999,600
Preferred (5%)	248,575

## BONDS OUTSTANDING

June 30, 1915

*Fixed Interest	\$39,359,000
Equipment	1,268,000
Guaranteed Stocks	3,713,200
†Other	22,210,136

\*Includes \$2,728,000 D. & M. R. R. 4½% Bonds, but does not include \$7,834,000 Bonds of the Cincinnati, Indianapolis & Western Ry., since reorganized separately, and \$1,150,000 4% Bonds of the Cincinnati, Findlay & Ft. Wayne Ry., not included in C. H. & D. Ry. Balance Sheet by order of Court; likewise does not include \$23,109,000 Bonds owned by Company. Most of the outstanding Bonds are in default. †Includes \$10,615,136 Non-negotiable Debt to other Companies (mostly due E. & O. R. R. for Advances) and \$11,597,000 Notes matured July 1, 1913, and not paid off. (See Notes).

## CAPITALIZATION

	Total	Per Mile
Stock	\$8,248,175	\$8,158
Bonds	66,550,336	65,827
Total	74,798,511	73,985

Fixed Charges below include \$493,785 for Rentals (including \$122,760 interest on Dayton & Michigan R. R. First Mortgage 4½ Bonds included above), \$682,799 for Hire of Equipment, \$2,355,497 interest on Bonds and \$498,181 interest on Unfunded Debt, only a small amount of which was actually paid.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,011.		
Operating Revenues	\$9,725,972	\$9,620
Operating Expenses	8,571,712	8,478
Net Operating Revenues	1,154,260	1,142
Other Income (including \$98,226 from Rentals)	220,244	218
Gross Corporate Income	1,374,504	1,360
Fixed Charges (including for Taxes, \$430,141)	4,467,690	4,419
Deficit	3,093,186	3,059

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,623,524	\$1,605
Maintenance of Equipment	2,123,246	2,100
Traffic Expenses	234,447	232
Transportation Expenses	*4,298,648	4,262
Miscellaneous Operations and General Expenses	291,847	289

Ratio of Operating Expenses to Operating Revenues 88.1 per cent.

\*After deducting \$5,404 Transportation for Investment—Cr.

Deficit to Profit and Loss Account, June 30, 1915, was \$32,426,307.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	37.7%	41.2%	30.3%	27.0%	26.2%	32.9%
For Traffic and Other						
Operating Expenses	48.5%	53.4%	48.1%	46.1%	50.2%	46.6%
For Fixed Charges	44.9%	42.5%	37.6%	33.1%	30.5%	28.1%
For Surplus	Deficit	Deficit	Deficit	Deficit	Deficit	Deficit

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,448,099	1,454,422	1,375,762	1,325,765
Passenger miles per mile of road	85,844	95,438	95,239	96,012
Miles, second, etc., main track	52	52	52	52
Miles, yards and sidings	435	440	438	430

See Notes, Page 308.

OF RAILROADS

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CINCINNATI NORTHERN R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1906	248		\$847,230	\$22,349	1910	246		\$1,294,277	\$148,588
1906	248		1,027,728	165,195	1911	245		1,248,676	47,886
1907	248		1,005,198	122,798	1912	245		1,418,645	20,450
1908	248		977,974	54,083	1913	245		1,436,708	156,248
1909	248		1,177,691	167,217	1914	*246		1,471,472	28,672

\*Includes 39 miles of trackage. †Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

December 31, 1914		December 31, 1914	
Common	\$3,000,000	Fixed Interest	\$1,000,000

CAPITALIZATION

	Total	Per Mile
Stock	\$3,000,000	\$12,195
Bonds	1,000,000	4,065
Total	4,000,000	16,260

Fixed Charges below include \$74,007 for Joint Facility Rentals and \$50,139 Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

		Total	Per Mile
Average miles operated, 246.			
Operating Revenues	(1915, \$1,628,641)	\$1,471,472	\$5,982
Operating Expenses	(1915, 1,210,710)	1,217,784	4,951
Net Operating Revenues	(1915, 417,931)	253,688	1,031
Other Income (including \$6,940 from Rentals)		7,213	29
Gross Corporate Income	(1915, \$435,298)	260,901	1,060
Fixed Charges (including for Taxes, \$67,463)		232,229	944
Surplus	(1915, 190,675)	28,672	116

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$253,569	\$1,031
Maintenance of Equipment	315,910	1,285
Traffic Expenses	31,974	130
Transportation Expenses	576,145	2,342
General Expenses	40,186	163

Ratio of Operating Expenses to Operating Revenues 82.8 per cent.

APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses	38.5%	50.1%	35.5%	40.1%	36.0%	35.0%
For Traffic and Other						
Operating Expenses	43.9%	47.7%	47.3%	43.7%	40.9%	39.1%
For Fixed Charges	15.7%	13.0%	15.8%	12.4%	11.9%	12.1%
For Surplus	1.9%	Deficit	1.4%	3.8%	11.2%	13.8%
	100.0%		100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road	921,872	824,088	866,359	647,500
Passenger miles per mile of road	54,181	57,445	53,754	59,525
Miles, yards and sidings	55	54	52	48

See Notes, Page 312.



## CLEVELAND, CINCINNATI, CHICAGO &amp; ST. LOUIS RY.

Year	Avg. Miles			Surplus	Year	Avg. Miles		
	Oper.	Gross				Oper.	Gross	Surplus
1888-9	1,838	\$14,719,363	\$1,223,690	1907	1,983	\$26,447,804	\$1,973,238	
1899-0	1,891	16,806,851	2,278,982	1908	1,982	24,242,617	708,779	
1900-1	1,891	17,877,489	2,332,542	1909	1,982	27,657,741	2,776,872	
1901-2	1,891	18,717,071	2,250,860	1910	1,982	30,423,006	1,476,497	
1902-3	1,891	20,390,761	2,029,979	1911	2,012	30,431,915	1,801,616	
1903-4	1,891	21,069,954	1,639,457	1912	2,012	32,714,288	2,344,352	
1905	1,983	22,517,763	1,870,425	1913	2,014	33,840,298	12,697,546	
1906	1,983	24,594,916	2,064,732	1914	*2,381	35,365,691	11,973,687	

\*Includes mileage of Peoria & Eastern Ry. (347 miles) and 164 miles trackage. †Deficit.

## STOCK OUTSTANDING

December 31, 1914.

Common	\$47,056,300	Fixed Interest	\$84,054,489
Preferred (5%)	10,000,000	Equipment	11,752,247
Loans and Bills Payable, December 31, 1914, were \$8,041,810.			

## BONDS OUTSTANDING

December 31, 1914.

Common	\$47,056,300	Fixed Interest	\$84,054,489
Preferred (5%)	10,000,000	Equipment	11,752,247
Loans and Bills Payable, December 31, 1914, were \$8,041,810.			

## CAPITALIZATION

	Total	Per Mile
Stock	\$57,066,300	\$23,968
Bonds	95,806,736	40,238
Total	152,863,036	64,201

Fixed Charges below include \$674,562 for Rentals of Leased Roads, \$755,126 for Other Rentals, \$95,560 Loss from Separately Operated Properties and \$1,760,712 Hire of Equipment—Dr.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

(Includes Peoria &amp; Eastern Ry.)

	Total	Per Mile
Average miles operated, 2,381.		
Operating Revenues (1915, \$38,364,087)	\$35,865,691	\$14,853
Operating Expenses (1915, 27,528,367)	28,954,969	12,161
Net Operating Revenues (1915, 10,835,720)	6,410,722	2,692
Other Income (including \$4,644 Misc. Operations)...	937,942	394
Gross Corporate Income (1915, \$12,354,713)	7,348,564	3,086
Fixed Charges (including for Taxes, \$1,528,027).....	9,322,551	3,915
Deficit (1915, Surplus, \$3,320,929)	1,973,687	829

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,740,009	\$1,991
Maintenance of Equipment	7,713,041	3,239
Traffic Expenses	892,604	376
Transportation Expenses	*14,554,640	6,113
Miscellaneous Operations and General Expenses	1,054,675	448

Ratio of Operating Expenses to Operating Revenues 82.0 per cent.

\*After deducting \$27,752 Transportation for Investment—Cr.

Other Income above includes \$98,661 from Rentals of Leased Road, \$549,822 from Other Rentals and \$77,408 from Miscellaneous Non-Operating Physical Property.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses	34.3%	33.3%	29.2%	26.8%	29.2%	27.6%
For Traffic and Other Operating Expenses	45.5%	47.1%	43.6%	44.8%	46.0%	42.1%
For Fixed Charges	26.7%	22.4%	20.2%	22.8%	20.1%	20.5%
For Surplus	Deficit	Deficit	7.0%	5.8%	4.7%	9.8%

	1914	1913	1912	1911	1910	1909
Ton miles per mile of road	1,869,744	2,068,512	2,033,210	1,804,779		
Passenger miles per mile of road	185,929	214,962	203,678	213,406		
Miles, second and additional main track		533	426	426	424	
Miles, yards and sidings		1,313	1,136	1,124	1,063	

See Notes, Page 312.

**DETROIT AND MACKINAC RY.**

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1902-3	337	\$953,708	\$195,496	1909-10	349	1,231,244	199,609
1903-4	322	981,314	213,980	1910-11	349	1,177,099	189,714
1904-5	330	990,555	187,990	1911-12	361	1,248,102	170,225
1905-6	343	1,154,826	83,485	1912-13	*411	1,242,327	242,224
1906-7	344	1,311,274	92,753	1913-14	*404	1,210,334	202,112
1907-8	348	1,186,097	180,695	1914-15	*393	1,077,317	165,914
1908-9	347	1,148,974	171,207				

\*Includes 56 miles Narrow Gauge (Au Sable & Northwestern R. R.)

**STOCK OUTSTANDING**

**BONDS OUTSTANDING**

June 30, 1915		June 30, 1915	
Common	\$2,000,000	*Fixed Interest	\$2,300,000
Preferred (5%)	950,000		

\*Does not include \$950,000 Bonds in the Treasury.  
Loans Payable, June 30, 1915, \$130,000.

**CAPITALIZATION**

	Total	Per Mile
Stock	\$2,950,000	\$7,506
Bonds	2,300,000	5,853
Total	5,250,000	13,359

Fixed Charges below include \$3,064 Loss from Outside Operations.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

	Total	Per Mile
Average miles operated, 393.		
Operating Revenues	\$1,077,317	\$2,741
Operating Expenses	793,735	2,020
Net Operating Revenues	283,582	721
Other Income (incl. \$57,991 Hire of Equipment—Cr.)	63,319	161
Gross Corporate Income	346,901	882
Fixed Charges (including for Taxes, \$82,491)	180,987	460
*Surplus	165,914	422

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$135,505	\$345
Maintenance of Equipment	200,024	509
Traffic Expenses	24,668	63
Transportation Expenses	398,889	1,015
Miscellaneous Operations and General Expenses	34,649	88

Ratio of Operating Expenses to Operating Revenues 73.7 per cent.

\*This Surplus before deducting \$47,755 for Additions and Betterments, \$15,002 applied on Purchase A. S. & N. W. Ry. and \$5,657 for Emerson Gravel Pit.

Other Income above includes \$5,040 Depreciation prior to June 30, 1907, on Equipment Retired.

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	29.4%	26.8%	26.4%	33.1%	31.2%	31.7%
For Traffic and Other						
Operating Expenses	40.2%	40.0%	39.1%	37.6%	36.7%	36.2%
For Fixed Charges	15.9%	17.4%	15.7%	15.9%	16.4%	16.1%
For Surplus	14.5%	15.8%	18.8%	13.4%	15.7%	16.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	176,597	231,521	233,897	265,398
Passenger miles per mile of road	31,516	35,201	34,625	41,454
Miles, yards and sidings	119	117	107	106

See Notes, Page 314.

## DETROIT, TOLEDO &amp; IRONTON R. R.

(Successor to Detroit, Toledo &amp; Ironton Ry.)

Year	Avg. Miles		Deficit	Year	Avg. Miles		Deficit
	Oper.	Gross			Oper.	Gross	
1903-4	438	\$1,488,938	\$210,141	1909-10	441	\$1,607,032	914,298
1904-5	436	1,468,299	286,894	1910-11	441	1,785,465	1,199,966
1905-6	436	1,914,977	270,941	1911-12	441	1,762,327	1,065,989
1906-7	438	2,116,407	371,623	1912-13	441	1,673,286	1,427,767
1907-8	409	1,623,266	578,743	1913-14	441	1,542,734	1,677,943
1908-9	438	1,525,126	685,257	1914-15	*441	1,767,580	132,134

\*Includes 45 miles of trackage.

The D., T. &amp; I. R. R. acquired the properties of the D., T. &amp; I. Ry. under foreclosure March 1, 1914

## STOCK OUTSTANDING

	June 30, 1915
Common	\$6,500,000
Preferred (4%)	6,000,000
*Income Bonds (5%)	8,000,000

\*Cumulative beginning January 1, 1919; prior to that date payable if earned at option of directors.

NOTE.—Present Capitalization as above compares with former Capitalization (June 30, 1913) of \$25,000,000 Stock and \$19,329,280 Bonds, Notes, Receiver's Certificates, etc.

## BONDS OUTSTANDING

	June 30, 1915
Fixed Interest (5%)	\$950,000
Equipment	249,000

## CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$20,500,000	\$46,485
Bonds	1,199,000	2,719
Total	21,699,000	49,204

Fixed Charges below include \$41,461 for Rentals, \$146,842 for Hire of Equipment and \$2,070 Amortization of Discount on Funded Debt.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 441.		
Operating Revenues	\$1,767,580	\$4,008
Operating Expenses	1,631,444	3,689
Net Operating Revenues	*136,136	309
Other Income (including \$40,474 from Rentals)	45,981	104
Gross Corporate Income	182,117	413
Fixed Charges (including for Taxes, \$61,315)	1314,251	713
Deficit	132,134	300

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$231,830	\$525
Maintenance of Equipment	276,478	625
Traffic Expenses	45,407	103
Transportation Expenses	1,009,288	2,289
General Expenses	69,441	157

Ratio of Operating Expenses to Operating Revenues 92.3 per cent.

\*Compares with an Operating Deficit of \$776,362 in 1913-14. †Compares with Fixed Charges of \$1,276,516 in 1912-13.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	23.0%	152.1%	52.6%	31.8%	37.7%	38.1%
For Traffic and Other Operating Expenses	62.0%		56.4%	56.5%	58.9%	52.6%
For Fixed Charges	17.3%	*	75.3%	71.4%	69.9%	64.8%
For Surplus		Deficit	Deficit	Deficit	Deficit	Deficit

\*Not stated.

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	796,245	698,058	782,768	851,262
Passenger miles per mile of road	20,583	18,004	19,475	20,972
Miles, yards and sidings	154		147	148

See Notes, Page 314.

GRAND RAPIDS & INDIANA RY.

Year	Avg. Miles		Year	Avg. Miles	
	Oper.	Gross		Oper.	Gross
1901	590	\$3,654,725	1908	584	\$4,355,345
1902	590	4,014,776	1909	591	4,861,452
1903	590	4,238,886	1910	587	5,148,994
1904	573	4,149,727	1911	586	5,031,661
1905	582	4,484,193	1912	578	5,435,270
1906	579	4,795,103	1913	576	5,580,232
1907	582	5,063,669	1914	575	5,387,885

STOCK OUTSTANDING

BONDS OUTSTANDING

December 31, 1914		December 31, 1914	
Common	\$5,791,700	Fixed Interest	\$10,373,000
		Equipment	60,595
		*Notes	150,000

\*Non-negotiable Debt to Affiliated Companies.

CAPITALIZATION

	(Grand Rapids & Indiana Ry. Proper.)		Total	Per Mile
Stock	\$5,791,700		\$5,791,700	\$10,072
Bonds	10,583,595		10,583,595	18,406
Total	16,375,295		16,375,295	28,479
Fixed Charges below include \$222,073 for Rentals (including Rent for Leased Roads) and \$144,600 Hire of Equipment—Dr.				\$181,046

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

(All lines operated.)

		Total	Per Mile
Average miles operated, 575.			
Operating Revenues	(1915, \$5,330,938)	\$5,387,885	\$9,370
Operating Expenses		4,207,111	7,317
Net Operating Revenues		1,180,774	2,053
Other Income (including \$46,253 from Rentals)		52,211	91
Gross Corporate Income		1,232,985	2,144
Fixed Charges (including for Taxes, \$290,668)		1,109,397	1,929
*Surplus	(1915, \$294,845)	123,588	215

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$640,773	\$1,114
Maintenance of Equipment	887,649	1,544
Traffic Expenses	133,243	232
Transportation Expenses	2,345,026	4,078
Miscellaneous Operations and General Expenses	200,420	349

Ratio of Operating Expenses to Operating Revenues 78.1 per cent.

\*This Surplus before deducting \$111,467 income appropriated for Investment in Physical Property.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	23.1%	31.6%	28.6%	27.9%	30.9%	29.2%
For Traffic and Other						
Operating Expenses	49.2%	49.0%	48.5%	48.1%	49.1%	45.1%
For Fixed Charges	20.4%	18.4%	19.0%	20.3%	19.5%	19.8%
For Surplus	2.3%	1.0%	3.9%	3.7%	0.5%	5.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	778,433	808,088	800,241	732,395
Passenger miles per mile of road	159,097	166,143	157,307	153,884
Miles, second and additional main track	13	12	12	11
Miles, yards and sidings	266	264	258	242

See Notes, Page 317.

## THE EARNING POWER

## GREEN BAY &amp; WESTERN R. R.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1901	248	\$527,312	1908	248	\$602,106
1902	248	502,354	1909	248	582,919
1903	248	579,595	1910	248	659,561
1904	248	592,397	1911	248	660,494
1905	248	586,420	1912	248	761,508
1906	248	636,121	1913	248	757,737
1907	248	666,838	1914	*248	776,330

\*Includes 25 miles of trackage.

## STOCK AND DEBENTURES OUTSTANDING DECEMBER 31, 1914

Common Stock .....	\$2,500,000
Debentures "A" .....	600,000
Debentures "B" .....	7,000,000

## CAPITALIZATION

	Total	Per Mile
Stock and Debentures .....	\$10,100,000	\$40,726

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 248.		
Operating Revenues .....	\$776,330	\$3,130
Operating Expenses .....	525,947	2,121
Net Operating Revenues .....	250,383	1,009
Other Income (Rentals, etc.) .....	50,486	204
Gross Corporate Income .....	300,869	1,213
Fixed Charges (Taxes, Rents, etc.) .....	61,700	249
*Surplus .....	239,169	964

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$145,844	\$588
Maintenance of Equipment .....	124,537	502
Traffic Expenses .....	6,658	27
Transportation Expenses .....	225,873	911
General Expenses .....	22,985	93

Ratio of Operating Expenses to Operating Revenues 67.7 per cent.

\*This Surplus before deducting \$28,000 Reserve for Additions and Betterments.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses .....	32.7%	31.5%	26.7%	31.9%	31.0%	31.3%
For Traffic and Other .....						
Operating Expenses .....	30.9%	32.5%	33.0%	33.4%	35.9%	35.1%
For Fixed Charges .....	7.5%	6.8%	6.0%	6.2%	4.1%	4.2%
For Surplus .....	28.9%	29.2%	34.3%	28.5%	29.0%	29.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Miles, yards and sidings .....	...	...	29	29

See Notes, Page 318.

**HOCKING VALLEY RY.**

Avg. Miles			Avg. Miles			
Year	Oper.	Gross	Year	Oper.	Gross	Surplus
1901-2	347	\$5,316,523	1906-9	347	\$5,878,414	\$1,515,990
1902-3	347	6,049,698	1909-10	350	7,569,330	2,539,765
1903-4	347	5,725,483	1910-11	350	7,172,731	1,832,731
1904-5	347	6,013,215	1911-12	351	7,303,679	1,830,836
1905-6	347	6,439,809	1912-13	351	7,817,644	1,916,404
1906-7	347	6,907,048	1913-14	352	7,021,146	955,741
1907-8	347	5,841,763	1914-15	352	6,181,153	493,402

**STOCK OUTSTANDING**

**BONDS OUTSTANDING**

June 30, 1915		June 30, 1915	
Common	\$11,000,000	Fixed Interest	\$19,872,000
		Equipment	2,327,000
		Notes (6%)	4,000,000
Loans and Bills Payable	June 30, 1915, \$1,100,000.		

**CAPITALIZATION**

	Total	Per Mile
Stock	\$11,000,000	\$31,250
Bonds	26,199,000	74,429
<b>Total</b>	<b>37,199,000</b>	<b>105,679</b>

Fixed Charges below include \$22,620 for Rentals.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

	Total	Per Mile
Average miles operated, 352.		
Operating Revenues	\$6,181,153	\$17,560
Operating Expenses	4,184,370	11,887
Net Operating Revenues	1,996,783	5,673
Other Income (including \$178,764 Outside Operations)	232,891	632
Gross Corporate Income	2,289,674	6,505
Fixed Charges (including for Taxes, \$418,522)	1,796,273	5,103
<b>Surplus</b>	<b>493,402</b>	<b>1,402</b>

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$707,207	\$2,009
Maintenance of Equipment	1,158,671	3,392
Traffic Expenses	110,916	315
Transportation Expenses	2,033,491	5,777
Miscellaneous Operations and General Expenses	174,085	494
Ratio of Operating Expenses to Operating Revenues	67.7 per cent.	
Other Income above includes \$8,192 from Rentals.		

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	28.8%	28.5%	27.7%	25.6%	24.7%	25.1%
For Traffic and Other						
Operating Expenses	35.8%	35.8%	30.3%	31.7%	33.2%	28.7%
For Fixed Charges	27.8%	22.9%	19.7%	19.8%	19.0%	15.9%
For Surplus	7.6%	12.8%	22.3%	22.9%	23.1%	29.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	3,332,101	3,742,321	4,135,665	3,919,982
Passenger miles per mile of road	125,867	139,952	149,725	148,175
Miles, second and additional main track	54	56	56	56
Miles, yards and sidings	312	309	291	272

See Notes, Page 318.

## ILLINOIS CENTRAL R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1903-4	4,940		\$46,831,136	\$8,865,928	1906-10	4,551		\$67,894,721	\$7,838,198
1904-5	4,974		49,508,650	10,135,342	1910-11	4,750		62,088,737	11,315,244
1905-6	4,424		51,636,406	10,862,339	1911-12	4,763		58,727,272	3,465,448
1906-7	4,371		56,610,633	11,687,091	1912-13	4,763		64,280,903	6,575,113
1907-8	4,420		52,530,427	7,996,399	1913-14	4,769		65,873,700	8,138,824
1908-9	4,547		53,672,336	8,183,836	1914-15	4,770		61,700,372	6,859,162

## STOCK OUTSTANDING

June 30, 1915.	
Common	\$109,291,717

## \*BONDS OUTSTANDING

June 30, 1915.	
Fixed Interest	\$181,170,000
Equipment	15,440,000
Leased Line Cfts. (4%)	9,989,700
Other	700,000

\*Does not include \$33,884,000 Company's Bonds, etc., held in Treasury. Includes outstanding Bonds (\$40,280,000) and Equipment Certificates (\$4,085,000) of C. St. L. & N. O. R. R. and D. & S. Cy. Ry.

Loans and Bills Payable, June 30, 1915, \$1,000,000.

## CAPITALIZATION

	Total	Per Mile
Stock	\$109,291,717	\$22,912
Bonds	207,296,700	43,459
Total	316,591,417	66,371

Fixed Charges below include \$5,227,180 for Rentals of Leased Lines including Interest on their Bonds as above and \$653,255 for Other Rentals.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 4,770.		
Operating Revenues	\$61,700,372	\$12,985
Operating Expenses	47,570,147	9,973
Net Operating Revenues	14,130,225	2,962
Other Income (including \$6,131 Outside Operations)	7,665,559	1,607
Gross Corporate Income	21,795,784	4,569
Fixed Charges (including for Taxes, \$3,233,338)	14,936,622	3,131
*Surplus	6,859,162	1,438

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$8,839,472	\$1,853
Maintenance of Equipment	13,892,444	2,913
Traffic Expenses	1,238,440	260
Transportation Expenses	†21,996,586	4,611
General Expenses	1,608,255	336

Ratio of Operating Expenses to Operating Revenues 77.1 per cent.

\*This Surplus before deducting \$46,023 for Additions and Betterments and \$107,875 applied to Sinking and Other Reserve Funds. †After deducting \$303,279 Transportation or Investment—Ct.

Other Income above includes \$1,435,605 from Rentals, \$130,990 from Hire of Equipment, \$1,833,410 Dividend Income, \$3,991,897 Income from Funded and Unfunded Securities, \$120,375 Income from Sinking and Other Reserve Funds and \$96,302 Separately Operated Properties—Profit.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	32.8%	32.4%	32.0%	33.6%	29.4%	35.8%
For Traffic and Other Operating Expenses	35.8%	37.0%	39.2%	41.4%	35.6%	35.5%
For Fixed Charges	21.5%	19.5%	19.4%	19.6%	18.5%	18.2%
For Surplus	9.9%	11.1%	9.4%	5.4%	16.5%	12.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,576,953	1,633,461	1,550,646	1,303,979
Passenger miles per mile of road	138,546	150,773	149,362	148,990
Miles, second and additional main track	994	938	933	933
Miles, yards and sidings	2,089	2,017	2,041	1,969

See Notes, Page 320.

OF RAILROADS

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ILLINOIS SOUTHERN RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1913-14	*140	\$561,765	‡\$16,052	1914-15	*140	\$627,336	‡1,444

\*Includes 3 miles leased. †Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$4,000,000	*Fixed Interest	\$2,018,000
Preferred (6%)	1,000,000	Equipment	18,065
Income Bonds (5%)	1,380,000		

\*Includes \$82,000 Bonds in Treasury.  
Bills Payable, June 30, 1915, \$15,280.

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$6,380,000	\$45,572
Bonds	2,036,065	14,543
Total	8,416,065	60,115

Fixed Charges below include \$17,441 for Hire of Equipment and \$1,660 for Bad Debts.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 140.		
Operating Revenues	\$527,336	\$3,767
Operating Expenses	426,991	3,050
Net Operating Revenues	100,345	717
Other Income (including \$3,242 Hire of Equipment)	5,579	40
Gross Corporate Income	105,924	757
Fixed Charges (including for Taxes, \$23,616)	101,480	725
Surplus	4,444	32

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$85,064	\$608
Maintenance of Equipment	85,979	614
Traffic Expenses	19,010	136
Transportation Expenses	201,478	1,439
General Expenses	35,460	253

Ratio of Operating Expenses to Operating Revenues 80.1 per cent.  
Other Income above includes \$797 from Rents.

APPROPRIATION OF GROSS INCOME

For Maintenance Expenses	32.1%
For Traffic and Other Operating Expenses	48.0%
For Fixed Charges	19.1%
For Surplus	0.8%
	100.0%

	1914-15	1913-14
*Ton miles per mile of road	417,577	506,594
Miles, yards and sidings	33	33

\*As given in annual report.  
See Notes, Page 322.



## INDIANA HARBOR BELT R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Deficit		Oper.	Gross	Deficit
1909	106	\$1,803,582	\$470,577	1912	105	\$2,936,136	\$112,062
1910	113	2,389,532	450,690	1913	105	3,303,809	232,621
1911	105	2,452,472	126,217	1914	*110	3,329,172	247,890

\*Includes 27 miles operated under contract and 37 miles of trackage.  
†Surplus.

## STOCK OUTSTANDING

## BONDS OUTSTANDING

December 31, 1914		December 31, 1914	
Common	\$2,450,000	Fixed Interest	\$6,725,000
		*Notes	4,237,693

\*Non-negotiable Debt to Affiliated Companies.

## CAPITALIZATION

	Total	Per Mile
Stock	\$2,450,000	\$22,273
Bonds	11,062,693	100,570
Total	13,512,693	122,843

Fixed Charges below include \$330,988 for Rentals (of which \$312,720 Joint Facility Rentals) and \$451,473 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING

## DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 110.		
Operating Revenues	\$3,329,172	\$30,265
Operating Expenses	2,401,613	21,838
Net Operating Revenues	927,559	8,422
Other Income	89,656	815
Gross Corporate Income	1,017,215	9,247
Fixed Charges (including for Taxes, \$82,407)	1,365,105	12,410
Deficit	347,890	3,163

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$425,434	\$3,863
Maintenance of Equipment	366,161	3,229
Traffic Expenses	33,714	307
Transportation Expenses	1,475,215	13,411
General Expenses	81,089	728

Ratio of Operating Expenses to Operating Revenues 72.1 per cent.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910
For Maintenance Expenses	23.4%	25.0%	22.9%	22.9%	26.3%
For Traffic and Other Operating Expenses	46.8%	48.8%	45.6%	49.5%	56.1%
For Fixed Charges	39.9%	33.1%	31.1%	32.5%	35.8%
For Surplus	Deficit	Deficit	0.4%	Deficit	Deficit

100.0%

	1914	1913	1912	1911
Miles, second and additional main track	61	...	58	58
Miles, yards and sidings	251	...	193	163

See Notes, Page 322.

**KANAWHA & MICHIGAN RY.**

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1902-3	177	\$1,285,171	†\$59,353	1908-9	177	\$2,127,637	\$134,516
1903-4	177	1,657,667	8,358	1909-10	176	2,769,657	630,374
1904-5	177	1,764,174	13,173	1910-11	176	3,111,062	1,053,361
1905-6	177	2,152,763	306,174	1911-12	176	3,145,252	918,236
1906-7	177	2,377,662	267,076	1912-13	177	3,303,229	1,005,336
1907-8	177	2,022,938	128,391	1913-14	*177	3,110,148	816,447

\*Includes 19 miles of trackage. †Detroit. Since July 1, 1914, the fiscal year has been changed to the calendar year. For the six months ending December 31, 1914, Operating Revenues were \$1,585,697 and the Surplus was \$353,575.

**STOCK OUTSTANDING**

**BONDS OUTSTANDING**

June 30, 1914.		June 30, 1914.	
Common	\$9,000,000	Fixed Interest	\$4,969,000
		Equipment	1,207,760

**CAPITALIZATION**

	Total	Per Mile
Stock	\$9,000,000	\$50,847
Bonds	6,176,750	34,897
<b>Total</b>	<b>15,176,750</b>	<b>85,744</b>

Fixed Charges below include \$14,233 for Rentals.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1914**

		Total	Per Mile
Average miles operated, 177.			
Operating Revenues	*(1915, \$3,139,104)	\$3,110,148	\$17,572
Operating Expenses	(1915, 2,060,618)	2,219,790	12,542
Net Operating Revenues	(1915, 1,078,486)	890,358	5,030
Other Income (including \$2,656 from Rentals)		356,883	2,017
<b>Total Net Income</b>	(1915, \$1,311,814)	<b>1,247,241</b>	<b>7,047</b>
Fixed Charges (including for Taxes, \$126,430)		430,738	2,434
<b>Surplus</b>	(1915, \$805,077)	<b>816,448</b>	<b>4,613</b>

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$422,236	\$2,386
Maintenance of Equipment	704,237	3,979
Traffic Expenses	84,937	497
Transportation Expenses	974,304	5,565
General Expenses	84,076	475

Ratio of Operating Expenses to Operating Revenues 71.4 per cent.

Other Income above includes \$338,304 from Hire of Equipment.

\*Calendar year January 1 to December 31. For a similar period in 1914 Operating Revenues were \$2,944,184 and Surplus \$648,760.

**APPROPRIATION OF GROSS INCOME**

	1913-14	1912-13	1911-12	1910-11	1909-10	1908-9
For Maintenance Expenses	32.5%	31.0%	29.5%	27.7%	39.4%	45.3%
For Traffic and Other						
Operating Expenses	31.5%	29.5%	31.3%	29.5%	26.0%	32.5%
For Fixed Charges	12.4%	11.7%	11.5%	11.1%	13.3%	16.2%
For Surplus	23.6%	27.8%	27.7%	31.7%	21.3%	6.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1913-14	1912-13	1911-12	1910-11
Ton miles per mile of road	3,739,955	4,033,104	3,945,189	3,823,708
Passenger miles per mile of road	110,240	110,574	105,601	108,854
Miles, yards and sidings	131	118	111	105

See Notes, Page 323.

## THE EARNING POWER

## LAKE ERIE &amp; WESTERN R. R.

Year	Avg. Miles		Surplus	Year	Avg. Miles		Surplus
	Oper.	Gross			Oper.	Gross	
1901	887	\$4,533,204	\$506,196	1908	886	\$4,361,158	*\$240,440
1902	887	4,699,340.	484,165	1909	886	5,043,990	148,070
1903	887	5,218,728	489,010	1910	886	5,513,326	110,965
1904	887	4,998,010	366,489	1911	886	5,420,821	*12,224
1905	886	5,087,295	443,651	1912	906	5,839,630	212,081
1906	886	5,212,812	450,161	1913	906	5,934,643	*218,061
1907	886	5,066,940	243,664	1914	†906	5,802,771	*227,873

\*Deficit. †Includes 34 miles trackage.

## STOCK OUTSTANDING

December 31, 1914

Common	\$11,840,000
Preferred (6%)	11,840,000
Loans and Bills Payable, December 31, 1914 (due Lake Shore & Michigan Southern Ry),	\$1,679,075.

## BONDS OUTSTANDING

December 31, 1914

Fixed Interest	\$10,875,000
Northern Ohio Ry.	2,500,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$23,690,000	\$26,137
Bonds	13,375,000	14,763
Total	37,065,000	40,900
†Fixed Charges below include \$185,251 for Rentals (including \$125,000 interest on above-mentioned Northern Ohio Ry. 5% Bonds), and \$390,402 Hire of Equipment—Dr.		

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 906.		
Operating Revenues (1915, \$6,239,647)	\$6,602,771	\$4,184
Operating Expenses (1915, 4,512,946)	4,463,866	4,916
Net Operating Revenues (1915, 1,726,701)	1,148,915	1,268
Other Income (including \$109,546 from Rentals)....	123,474	136
Gross Corporate Income (1915, \$1,874,473)	1,272,389	1,404
Fixed Charges (including for Taxes, \$230,541).....	1,500,262	1,656
Deficit (1915, Surplus, \$516,550)	227,873	252

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$785,010	\$866
Maintenance of Equipment	1,030,424	1,137
Traffic Expenses	159,612	176
Transportation Expenses	2,335,132	2,578
General Expenses	143,678	159

Ratio of Operating Expenses to Operating Revenues 79.5 per cent.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses	31.7%	36.1%	32.0%	33.3%	33.8%	34.0%
For Traffic and Other						
Operating Expenses	46.1%	44.0%	42.9%	44.3%	42.6%	41.0%
For Fixed Charges	26.2%	23.4%	21.5%	22.7%	21.6%	22.1%
For Surplus	Deficit	Deficit	3.6%	Deficit	2.0%	2.9%
			100.0%		100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road.....	783,633	830,233	808,198	757,092
Passenger miles per mile of road....	47,640	53,572	51,482	62,269
Miles, second and additional main track	9	9	9	9
Miles, yards and sidings	277	274	271	280

See Notes, Page 324.

## LAKE SHORE &amp; MICHIGAN SOUTHERN RY.

(Merged January, 1915, into New York Central R. R.)

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1906	1,430	\$34,788,082	\$4,471,032	1909	1,663	\$45,110,997	*\$12,917,548
1904	1,454	85,161,053	4,457,742	1910	1,663	49,420,211	*13,787,035
1905	1,520	38,600,810	*11,571,758	1911	1,775	48,360,997	*14,173,335
1906	1,520	42,544,378	*11,910,335	1912	1,872	54,283,617	*16,584,884
1907	1,520	44,953,475	*12,379,831	1913	1,853	57,941,920	12,488,340
1908	1,511	39,066,942	*9,108,135	1914	1,832	51,524,268	7,124,874

\*Prior to 1906 Extraordinary Expenditures were included in Maintenance Expenses.

## STOCK OUTSTANDING

December 31, 1914		December 31, 1914	
Common	\$49,466,500	Fixed Interest	\$150,400,000
Guaranteed	533,500	Equipment	18,245,693

Loans and Bills Payable on December 31, 1914, were \$52,805,230. The Balance Sheet showed among Assets \$54,782,577 Notes and Advances, representing sums due from other System Companies.

## CAPITALIZATION

	Total	Per Mile
Stock	\$50,000,000	\$26,998
Bonds	168,645,693	91,061
Total	218,645,693	118,059

Fixed Charges below include \$2,706,743 for Rentals of Leased Lines and \$953,526 Other Rentals.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 1,852.		
Operating Revenues	\$51,524,286	\$27,821
Operating Expenses	37,699,351	20,356
Net Operating Revenues	13,824,935	7,465
Other Income (incl. \$39,826 Hire of Equipment—Cr.)	7,606,114	4,107
Gross Corporate Income	21,431,049	11,572
Fixed Charges (including for Taxes, \$2,413,900)	14,306,175	7,725
Surplus	7,124,874	3,847

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$5,561,823	\$3,008
Maintenance of Equipment	10,877,317	5,873
Traffic Expenses	960,220	519
Transportation Expenses	18,284,602	9,878
Miscellaneous Operations and General Expenses	2,015,389	1,088

Ratio of Operating Expenses to Operating Revenues 73.2 per cent.

Other Income above includes \$513,704 from Rentals, \$4,589,085 Dividend, Income (\$6,493,714, year 1913), and \$618,167 Profit from Separately Operated Property.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses	27.8%	29.3%	24.4%	22.0%	25.8%	23.8%
For Traffic and Other						
Operating Expenses	36.0%	32.7%	30.5%	31.1%	32.6%	30.5%
For Fixed Charges	24.2%	19.8%	19.5%	22.7%	18.6%	20.7%
For Surplus	12.0%	18.2%	25.6%	24.2%	23.0%	25.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911	1910	1909
Ton miles per mile of road	2,985,577	3,823,154	3,813,156	3,813,156	3,508,010	
Passenger miles per mile of road	393,459	437,126	401,779	401,779	407,881	
Miles, second and additional main track	1,253	1,251	1,240	1,240	1,195	
Miles, yards and sidings	1,693	1,342	1,278	1,278	1,195	

See Notes, Page 324.

## MANISTEE &amp; NORTH-EASTERN R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1913	190	\$562,730	\$36,885	1914	190	\$533,458	\$20,332

## STOCK OUTSTANDING

## BONDS OUTSTANDING

	December 31, 1914		December 31, 1914
Common	\$2,000,000	Fixed Interest	\$1,291,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$2,000,000	\$10,528
Bonds	1,291,000	6,795
Total	3,291,000	17,321

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 190.		
Operating Revenues	\$533,458	\$2,808
Operating Expenses	421,972	2,221
Net Operating Revenues	111,486	587
Hire of Equipment	13,504	71
Gross Corporate Income	124,990	658
Fixed Charges (including for Taxes, \$34,233)	104,658	551
Surplus	20,332	107

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$74,796	\$393
Maintenance of Equipment	105,209	554
Traffic Expenses	14,247	75
Transportation Expenses	202,080	1,064
General Expenses	25,630	135
Ratio of Operating Expenses to Operating Revenues	79.1 per cent.	

## APPROPRIATION OF GROSS INCOME

	1914	1913
For Maintenance Expenses	32.9%	32.3%
For Traffic and Other Operating Expenses	44.3%	42.1%
For Fixed Charges	19.1%	19.2%
For Surplus	3.7%	6.5%
	100.0%	100.0%

	1914	1913
Ton miles per mile of road	142,875	147,674
Passenger miles per mile of road	*22,064	*22,958
Miles, yards and sidings	53	53

\*Based on 182 miles operated for Passenger Service.

See Notes, Page 327.

MICHIGAN CENTRAL R. R.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1908	1,653	\$22,552,201	1909	1,746	\$27,415,467
1904	1,653	21,492,945	1910	1,808	29,694,815
1905	1,745	23,283,868	1911	1,817	30,164,490
1906	1,745	26,275,588	1912	1,817	32,911,753
1907	1,746	23,547,110	1913	1,800	36,011,886
1908	1,746	24,918,488	1914	*1,800	33,464,968

\*Includes 93 miles of trackage.

STOCK OUTSTANDING

December 31, 1914	Common .....	\$18,738,000
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BONDS OUTSTANDING

December 31, 1914	*Fixed Interest .....	\$74,977,000
	Equipment .....	10,734,397

\*Includes \$22,500,000 Canada Southern Ry. Consol. Mortgage 5% Bonds; \$18,000,000 Detroit River Tunnel Co. First Mortgage 4½% Bonds, and \$89,000 Other Leased Lines' Bonds (not owned), the interest on which is included in Rentals.

Loans and Bills Payable on December 31, 1914, were \$9,364,331.

CAPITALIZATION

	Total	Per Mile
Stock .....	\$18,738,000	\$10,410
Bonds .....	85,711,397	47,618
Total .....	104,449,397	58,028

Fixed Charges below include \$3,402,187 for Rental of Leased Lines, \$1,364,849 Hire of Equipment—Dr., and \$569,131 Joint Facility Rents. The Rentals include interest on Canada Southern Ry. Bonds, Detroit River Tunnel Co. Bonds, etc., included above under Bonds Outstanding; also guaranteed dividends on \$20,791,200 Capital Stock of Leased Lines, of which \$11,941,260 Stock owned by Michigan Central R. R.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

		Total	Per Mile
Average miles operated, 1,800.			
Operating Revenues .....	(1915, \$36,540,665)	\$33,464,968	\$18,592
Operating Expenses .....	(1915, 25,727,487)	25,181,484	13,990
Net Operating Revenues .....	(1915, 10,813,178)	8,283,484	4,602
Other Income (including \$229,143 from Rentals) .....		926,363	515
Gross Corporate Income .....	(1915, \$11,865,504)	9,209,847	5,117
Fixed Charges (including for Taxes, \$1,598,350) .....		8,795,428	4,887
Surplus .....	(1915, \$2,926,957)	414,419	230

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$3,628,376	\$2,016
Maintenance of Equipment .....	5,349,079	2,972
Traffic Expenses .....	762,657	424
Transportation Expenses .....	14,170,444	7,872
Miscellaneous Operations and General Expenses .....	1,270,927	706

Ratio of Operating Expenses to Operating Revenues 75.2 per cent.  
Other Income above includes \$207,024 Income from Securities and Accounts, and \$488,159 Dividend Income (\$746,942 in 1913).

APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses .....	26.1%	29.2%	24.5%	23.5%	26.5%	25.4%
For Traffic and Other .....						
Operating Expenses .....	47.1%	44.2%	43.2%	42.7%	43.7%	39.8%
For Fixed Charges .....	25.6%	23.2%	24.3%	27.1%	24.2%	22.7%
For Surplus .....	1.2%	3.4%	8.0%	6.7%	5.6%	12.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911	1910
Ton miles per mile of road .....	1,729,226	2,000,624	1,794,435	1,700,602	1,700,602
Passenger miles per mile of road .....	251,823	260,301	233,332	219,703	219,703
Miles, second and additional main track .....	617	617	610	610	610
Miles, yards and sidings .....	1,502	1,404	1,363	1,350	1,350

See Notes, Page 327.

## NEW YORK, CHICAGO &amp; ST. LOUIS R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1903	523	\$8,448,320	\$604,248	1909	523	\$10,076,207	\$1,794,480
1904	523	8,645,374	618,917	1910	523	11,238,877	1,967,824
1905	523	9,108,730	*1,407,703	1911	523	11,258,008	1,638,068
1906	523	9,902,209	1,748,592	1912	523	12,226,238	1,880,880
1907	523	10,465,671	2,294,253	1913	523	12,342,000	926,705
1908	523	9,221,456	1,030,909	1914	523	11,294,971	†183,881

\*Prior to 1905 large amounts were included in Operating Expenses for improvements, etc. This explains marked increase in surplus beginning in 1905. †Deficit.

## STOCK OUTSTANDING

December 31, 1914.

Common .....	\$14,000,000
Preferred 1st (5%) .....	5,000,000
Preferred 2d (5%) .....	11,000,000

## BONDS OUTSTANDING

December 31, 1914.

Fixed Interest .....	\$28,672,000
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## CAPITALIZATION

	Total	Per Mile
Stock .....	\$30,000,000	\$57,382
Bonds .....	28,762,000	64,994
Total .....	58,762,000	112,856

Fixed Charges below include \$318,518 for Rentals and \$299,876 Hire of Equipment—Dr.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

		Total	Per Mile
Average miles operated, 523.			
Operating Revenues .....	(1915, \$12,536,380)	\$11,294,971	\$21,697
Operating Expenses .....	(1915, 9,322,126)	9,312,653	17,806
Net Operating Revenues .....	(1915, 3,214,254)	1,982,318	3,791
Other Income (including \$45,583 from Rentals).....		93,415	179
Gross Corporate Income .....	(1915, \$3,444,198)	2,075,733	3,970
Fixed Charges (including for Taxes, \$485,656).....		2,259,614	4,322
*Deficit .....	(1915, Surplus, \$810,575)	183,881	352

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$1,466,082	\$2,803
Maintenance of Equipment .....	1,597,686	3,055
Traffic Expenses .....	536,631	1,026
Transportation Expenses .....	5,406,742	10,336
Miscellaneous Operations and General Expenses....	306,512	586

Ratio of Operating Expenses to Operating Revenues 82.4 per cent.

\*To this Deficit should be added \$99,283 Sinking Fund Payments.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses .....	26.8%	27.2%	21.6%	22.4%	22.4%	20.1%
For Traffic and Other .....						
Operating Expenses .....	54.9%	49.6%	48.3%	47.9%	45.6%	44.9%
For Fixed Charges .....	19.8%	15.8%	15.0%	15.7%	15.0%	17.6%
For Surplus .....	Deficit	7.4%	15.1%	14.0%	17.0%	17.4%
		100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road.....	3,471,215	3,971,488	3,912,365	3,407,624
Passenger miles per mile of road....	174,893	187,914	173,893	193,652
Miles, second and additional main track .....		91	91	91
Miles, yards and sidings .....		299	294	288

See Notes, Page 329.

## OHIO &amp; LITTLE KANAWHA R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1904-5	74	\$255,318	\$23,628		1910-11	74	\$292,178	\$290	
1905-6	74	288,195	64,169		1911-12	74	308,193	*11,881	
1906-7	74	282,453	17,735		1912-13	74	299,732	*20,290	
1907-8	74	278,766	*31,070		1913-14	74	297,658	*73,946	
1908-9	74	264,093	15,238		1914-15	74	298,108	117	
1909-10	74	290,326	16,580						

\*Deficit.

## \*STOCK OUTSTANDING

June 30, 1915

Common	\$1,000,000
Preferred (5%)	1,250,000

\*Includes \$82,000 Common Stock and \$82,500 Preferred Stock in Treasury. †Includes \$22,000 Bonds held in Treasury.

## BONDS OUTSTANDING

June 30, 1915

Fixed Interest	\$250,000
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## CAPITALIZATION

	Total	Per Mile
Stock	\$2,250,000	\$30,406
Bonds	250,000	3,378
Total	2,500,000	68,784

Fixed Charges below include \$7,599 for Rentals and \$2,415 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 74.		
Operating Revenues	\$298,108	\$4,029
Operating Expenses	259,629	3,509
Net Operating Revenues	38,479	520
Other Income (including \$855 from Rentals)	857	12
Gross Corporate Income	39,336	532
Fixed Charges (including for Taxes, \$17,805)	39,219	530
Surplus	117	2

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$53,732	\$726
Maintenance of Equipment	55,606	751
Traffic Expenses	10,321	140
Transportation Expenses	*127,677	1,725
General Expenses	12,293	166

Ratio of Operating Expenses to Operating Revenues 87.0 per cent.

\*After deducting \$27 Transportation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	36.6%	55.8%	44.3%	43.9%	38.6%	39.2%
For Traffic and Other						
Operating Expenses	50.2%	54.9%	50.5%	47.5%	49.6%	44.2%
For Fixed Charges	13.1%	14.0%	11.9%	12.3%	11.7%	10.5%
For Surplus	0.1%	Deficit	Deficit	Deficit	0.1%	5.7%
	100.0%				100.0%	100.0%

Miles, yards and sidings	1914-15	1913-14	1912-13
	13	14	14

See Notes, Page 330.



## PEORIA &amp; EASTERN RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1902-3	352	\$2,947,237	\$237,108	1909	352	\$3,026,856	\$271,756
1903-4	352	3,069,694	186,650	1910	352	3,536,068	264,129
1905	350	2,960,727	377,457	1911	352	3,218,284	8,873
1906	352	3,059,281	451,591	1912	352	3,429,867	256,101
1907	352	3,010,347	254,592	1913	352	3,387,434	*†152,115
1908	352	2,728,154	54,877	1914	352	3,025,667	*190,406

\*Deficit. †Operating Expenses for 1913 were charged, \$115,692 account of flood expenses.

## STOCK OUTSTANDING

December 31, 1914.

Common	\$10,000,000
Income Bonds (4%)	4,000,000

## BONDS OUTSTANDING

December 31, 1914.

Fixed Interest	\$9,982,500
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## CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$14,000,000	\$39,773
Bonds	9,982,500	28,357
Total	23,982,500	68,130

Fixed Charges below include \$144,320 for Taxes (1915, \$138,893).

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

Average miles operated, 352.		Total	Per Mile
Operating Revenues	(1915, \$3,386,581)	\$3,025,667	\$8,596
Operating Expenses	(1915, 2,366,114)	2,424,147	6,887
Net Operating Revenues	(1915, 1,020,467)	601,520	1,709
Other Income	(1915, 165,542)	110,563	314
Gross Corporate Income	(1915, 1,186,009)	712,083	2,023
Fixed Charges	(1915, 918,874)	872,489	2,479
*Deficit	(1915, †Surplus, 267,135)	160,406	456

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$445,118	\$1,265
Maintenance of Equipment	592,298	1,683
Traffic Expenses	57,444	163
Transportation Expenses	†1,262,836	3,587
General Expenses	66,451	189

Ratio of Operating Expenses to Operating Revenues 80.1 per cent.

\*To this Deficit should be added \$20,044 for Additions and Betterments (\$51,516, 1915). †After deducting \$491 Transportation for Investment—Cr. ‡This Surplus includes entire Profits for 1915 of Springfield Division (\$254,827). According to statement for year 1915, the P. & E. Ry. received \$200,000 as Income from this Division representing 4% on \$5,000,000 Purchase Money Lien. On that basis Surplus would be \$212,288.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses	33.1%	37.1%	29.3%	30.1%	29.0%	29.2%
For Traffic and Other Operating Expenses	44.2%	45.3%	42.9%	46.9%	42.9%	40.7%
For Fixed Charges	27.8%	22.2%	20.4%	22.7%	20.7%	21.2%
For Surplus	Deficit	Deficit	7.4%	0.3%	7.4%	8.9%
			100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road	.....	.....	1,312,772	1,124,391
Passenger miles per mile of road	.....	.....	94,908	99,800
Miles, second and additional main track	.....	2	2	2
Miles, yards and sidings	.....	142	141	141

See Notes, Page 330.

OF RAILROADS

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**PERE MARQUETTE R. R.**  
(Receivers appointed April 6, 1912.)

Year	Avg. Miles		Gross	Deficit	Year	Avg. Miles		Gross	Deficit
	Oper.					Oper.			
1906-7	2,390		\$14,214,195		1911-12	2,331		\$16,676,428	\$1,979,680
1907-8	2,362		13,691,876		1912-13	2,330		17,406,755	1,595,550
1908-9	2,349		14,169,565		1913-14	2,324		16,915,198	7,152,895
1909-10	2,331		15,995,623		1914-15	*2,314		18,028,210	1,419,265
1910-11	2,333		15,986,808	1,813,761					

\*Includes 288 miles leased lines and trackage rights, also L. E. & D. R. Ry. (190 miles).

**STOCK OUTSTANDING**

	June 30, 1915
Common	\$14,370,430
Preferred 1st (4%)	10,929,800
Preferred 2d (4%)	968,180
L. E. & D. R. Ry.	1,400,000

\*Includes \$13,750,777 Bonds, Notes and Receiver's Certificates matured but not paid off. †Interest was actually paid on only \$5,870,000 of these Bonds during 1914-15. ‡Due March 1, 1916, Interest and Principal in default.

Loans and Bills Payable, June 30, 1915, \$725,000.

Profit and Loss Debit as of June 30, 1915, was \$25,665,222.

**\*BONDS OUTSTANDING**

	June 30, 1915
†Fixed Interest	\$72,872,000
Equipment	2,515,132
Receiver's Certificates	5,809,500
†Notes (6%)	2,125,884

**CAPITALIZATION**

	Total	Per Mile
Stock	\$27,727,210	\$11,982
Bonds	83,322,516	36,008
Total	111,049,726	47,990

Fixed Charges below include \$766,687 for Rentals and \$609,074 Hire of Equipment—Dr., also \$4,307,544 Interest Charges. The actual amount of Interest Charges paid by the Receivers was \$741,888.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

	Total	Per Mile
Average miles operated, 2,314.		
Operating Revenues	\$18,028,210	\$7,791
Operating Expenses	13,444,014	5,810
Net Operating Revenues	4,584,196	1,981
Other Income (including \$48,500 from Rentals)	194,537	84
Gross Corporate Income	4,778,733	2,065
Fixed Charges (including for Taxes, \$512,844)	6,197,998	2,678
Deficit	1,419,265	613

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$2,000,282	\$864
Maintenance of Equipment	3,492,973	1,510
Traffic Expenses	379,125	164
Transportation Expenses	*7,017,730	3,033
Miscellaneous Operations and General Expenses	553,904	239

Ratio of Operating Expenses to Operating Revenues 74.6 per cent.

\*After deducting \$5,011 Transportation for Investment—Cr.

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	30.1%	55.5%	33.7%	28.9%	29.0%	25.1%
For Traffic and Other						
Operating Expenses	43.6%	50.0%	45.3%	50.7%	50.7%	44.2%
For Fixed Charges	34.0%	36.4%	30.1%	32.1%	31.6%	27.8%
For Surplus	Deficit	Deficit	Deficit	Deficit	Deficit	2.9%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	850,147	778,230	849,618	750,436
Passenger miles per mile of road	86,329	89,077	93,414	96,418
Miles, yards and sidings	851	853	840	837

See Notes, Page 331.

## PITTSBURGH, CINCINNATI, CHICAGO &amp; ST. LOUIS RY.

Avg. Miles			Avg. Miles			
Year	Oper.	Gross	Year	Oper.	Gross	Surplus
1903	1,418	\$28,960,821	1909	1,469	\$35,970,833	\$5,488,641
1904	1,423	28,532,475	1910	1,468	40,601,379	3,911,010
1905	1,427	31,417,085	1911	1,467	38,549,933	4,490,088
1906	1,429	34,485,501	1912	1,472	43,604,082	6,186,250
1907	1,472	37,646,590	1913	1,472	44,237,388	1,486,094
1908	1,472	31,075,098	1914	1,472	39,139,400	2,314,097

## STOCK OUTSTANDING

December 31, 1914.	
Common .....	\$29,915,725
*Preferred (5%) .....	37,595,661
Other .....	97,839

## BONDS OUTSTANDING

December 31, 1914.	
Fixed Interest .....	\$64,106,000
Equipment .....	7,578,341

\*See Notes as to provisions governing the payment of Dividends.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$67,609,225	\$45,930
Bonds .....	71,684,341	48,689
Total .....	139,293,566	94,629

Fixed Charges below include \$1,465,263 for Rentals (of which \$1,054,302 for Leased Roads) and \$730,096 Hire of Equipment—Dr.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 1,472.		
Operating Revenues .....	\$39,139,400	\$26,589
Operating Expenses .....	30,010,597	20,388
Net Operating Revenues .....	9,128,803	6,201
Other Income (including \$490,329 Rentals) .....	664,514	452
Gross Corporate Income .....	9,793,317	6,653
Fixed Charges (including for Taxes, \$1,916,796) .....	7,479,220	5,081
*Surplus (1915, After Skg. Pd. Pay'ts, \$3,784,792)	2,314,097	1,572

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$5,791,544	\$3,543
Maintenance of Equipment .....	7,699,697	5,231
Traffic Expenses .....	766,485	544
Transportation Expenses .....	14,532,833	10,141
Miscellaneous Operations and General Expenses...	1,366,875	929

Ratio of Operating Expenses to Operating Revenues 76.7 per cent.

\*This Surplus before deducting \$880,520 Income applied to Sinking and Other Reserve Funds.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses .....	32.4%	37.9%	32.0%	30.6%	32.7%	30.6%
For Traffic and Other Operating Expenses .....	43.0%	42.7%	39.1%	40.3%	40.4%	37.2%
For Fixed Charges .....	18.3%	16.1%	15.0%	17.5%	17.3%	17.1%
For Surplus .....	5.8%	3.3%	13.9%	11.6%	9.6%	15.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road.....	2,843,201	3,485,125	3,619,837	2,907,749
Passenger miles per mile of road...	288,000	311,536	288,520	295,871
Miles, second and additional main track .....	806	782	782	780
Miles, yards and sidings .....	1,013	1,006	979	879

See Notes.

TOLEDO & OHIO CENTRAL RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901-2	383	\$2,877,859	\$189,606	1908-9	441	\$4,089,807	\$739,201
1902-3	436	3,446,747	326,425	1909-10	444	4,476,951	854,896
1903-4	441	3,598,684	431,300	1910	444	5,089,896	1,330,585
1904-5	441	3,766,651	368,402	1911	441	4,938,646	609,214
1905-6	441	4,072,163	553,927	1912	443	5,363,018	858,431
1906-7	441	4,866,661	1,186,295	1913	443	6,017,094	441,227
1907-8	441	4,191,999	861,984	1914	446	4,930,626	*306,616

\*Deficit.

STOCK OUTSTANDING

December 31, 1914.	
Common .....	\$6,500,000
Preferred (5%) .....	3,708,000
*Income Bonds (4%) .....	500,000

BONDS OUTSTANDING

December 31, 1914.	
Fixed Interest .....	\$8,000,000
Equipment .....	3,726,522

\*No interest has been paid on the \$500,000 St. Mary's Division Income Bonds. See Notes as to Guaranteed Bonds.

Loans and Bills Payable on December 31, 1914, were \$10,219,012, including \$8,719,012 one-year Notes issued in 1914 in connection with purchase of Kanawha & Michigan Ry. Stock.

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds .....	\$10,708,000	\$24,009
Bonds (not including Loans & Bills Payable).....	11,726,522	26,293
Total .....	22,434,522	50,302

Fixed Charges below include \$100,748 Joint Facility Rents, \$236,189 Hire of Equipment—Dr., and \$254,499 Loss from Separately Operated Properties (Z. & W. Ry.).

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

Average miles operated, 446.		Total	Per Mile
Operating Revenues .....	(1915, \$4,722,352)	\$4,930,626	\$11,055
Operating Expenses .....	(1915, 3,609,794)	4,027,503	9,030
Net Operating Revenues .....	(1915, 1,112,558)	903,123	2,025
Other Income (including \$51,993 from Rentals) .....		413,926	928
Gross Corporate Income .....	(1915, \$1,778,094)	1,317,049	2,953
Fixed Charges (including for Taxes, \$265,676).....		1,623,665	3,640
Deficit .....	(1915, Surplus, \$43,113)	306,616	687

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$809,405	\$1,813
Maintenance of Equipment .....	997,534	2,237
Traffic Expenses .....	91,763	206
Transportation Expenses .....	1,982,043	4,444
Miscellaneous Operations and General Expenses....	146,758	329

Ratio of Operating Expenses to Operating Revenues 81.7 per cent.

Other Income above includes \$226,928 Dividends received from 89,478 shares of Stock of the Kanawha & Michigan Ry. which was purchased during the year.

APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909-10
For Maintenance Expenses .....	33.8%	35.5%	31.8%	29.2%	27.4%	29.7%
For Traffic and Other Operating Expenses .....	41.6%	39.6%	37.3%	37.2%	33.9%	34.4%
For Fixed Charges .....	30.4%	17.8%	15.6%	21.7%	13.5%	15.0%
For Surplus .....	Deficit	7.1%	15.3%	11.9%	25.2%	20.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911	1910	1909-10
Ton miles per mile of road.....	2,144,293	2,791,615	2,335,301	2,125,529		
Passenger miles per mile of road....	85,266	90,186	84,856	98,850		
Miles, second and additional main track .....	7	7	6	6		
Miles, yards and sidings .....	267	248	250	225		

See Notes, Page 335.

## TOLEDO, PEORIA &amp; WESTERN RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1901-2	247	\$1,152,084	\$2,256	1908-9	248	\$1,094,158	\$351,004
1902-3	247	1,239,974	2,845	1909-10	248	1,173,430	†12,905
1903-4	247	1,308,716	1,547	1910-11	248	1,293,562	18,138
1904-5	247	1,281,443	†32,872	1911-12	248	1,276,600	8,804
1905-6	247	1,293,394	†21,642	1912-13	248	1,392,961	37,672
1906-7	247	1,300,316	1,672	1913-14	248	1,293,609	†187,842
1907-8	247	1,221,480	†36,232	1914-15	*248	1,175,251	†230,067

\*Includes 17 miles trackage. †Deficit.

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common .....	\$4,076,900	Fixed Interest .....	\$4,895,000
Loans and Bills Payable, June 30, 1915, \$818,000.		Equipment .....	306,288

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$4,076,900	\$16,439
Bonds .....	5,201,288	20,973
Total .....	9,278,188	37,412

Fixed Charges below include \$50,792 for Rentals and \$30,348 for Interest on Bills Payable.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 248.		
Operating Revenues .....	\$1,175,251	\$4,739
Operating Expenses .....	1,155,269	4,678
Net Operating Revenues .....	39,982	161
Other Income (including \$48,973 from Rentals) .....	91,612	369
Gross Corporate Income .....	131,594	530
Fixed Charges (including for Taxes, \$73,200) .....	361,661	1,468
Deficit .....	230,067	928

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$200,049	\$807
Maintenance of Equipment .....	332,007	1,329
Traffic Expenses .....	28,386	114
Transportation Expenses .....	531,006	2,141
General Expenses .....	43,821	177

Ratio of Operating Expenses to Operating Revenues 96.6 per cent.  
Other Income above includes \$42,610 Hire of Equipment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	42.0%	42.8%	37.3%	36.5%	36.0%	35.0%
For Traffic and Other Operating Expenses .....	47.6%	48.6%	40.3%	41.9%	41.4%	41.6%
For Fixed Charges .....	28.5%	22.5%	19.9%	21.4%	21.6%	24.5%
For Surplus .....	Deficit	Deficit	2.6%	0.2%	1.0%	Deficit
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road .....	215,750	236,776	260,527	231,141
Passenger miles per mile of road....	90,501	100,781	98,650	91,796
Miles, yards and sidings .....				45

See Notes, Page 336.

TOLEDO, ST. LOUIS & WESTERN R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1908-4	451	\$3,341,648	\$223,944	1909-10	451	\$3,772,636	\$749,548
1904-5	451	3,785,165	238,378	1910-11	451	3,777,677	72,797
1905-6	451	4,205,051	490,573	1911-12	451	3,865,229	*55,928
1906-7	451	4,181,966	645,067	1912-13	451	4,335,167	63,762
1907-8	451	3,818,467	417,787	1913-14	451	4,588,121	118,306
1908-9	451	3,428,644	938,295	1914-15	451	4,636,059	*547,906

\*Deficit.

\*STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common	\$10,000,000	Fixed Interest	\$27,602,000
Preferred (4%)	10,000,000	Equipment	1,101,406

\*Includes \$5,000 Common Stock and \$47,400 Preferred Stock in Treasury.  
 †Includes \$6,480,000 Series "A" and \$5,047,000 Series "B" 4% Gold Bonds due 1917, issued to purchase Chicago & Alton R. R. Stocks.  
 Prior to August 1, 1912, Series "B" Bonds bore interest at 2% yearly.  
 Loans and Bills Payable, June 30, 1915, \$473,841.

CAPITALIZATION

	Total	Per Mile
Stock	\$20,000,000	\$44,346
Bonds	2,708,406	63,641
Total	48,708,406	107,990

Fixed Charges below include \$23,376 for Rentals, \$402,882 Hire of Equipment—Dr., and \$17,424 Reserve, account advances Toledo Terminal R. R.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 451.		
Operating Revenues	\$4,636,059	\$10,280
Operating Expenses	3,496,954	7,754
Net Operating Revenues	1,139,105	2,526
Income from Investments	*110,808	245
Gross Corporate Income	1,249,913	2,771
Fixed Charges (including for Taxes, \$250,182)	1,797,819	3,986
Deficit	547,906	1,215

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$573,700	\$1,272
Maintenance of Equipment	844,225	1,872
Traffic Expenses	199,811	443
Transportation Expenses	1,780,396	3,948
General Expenses	98,822	219

Ratio of Operating Expenses to Operating Revenues 75.4 per cent.

\*No Dividends have been received in the past several years on holdings of Stock of the Chicago & Alton R. R.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	29.0%	21.5%	25.2%	26.2%	25.7%	21.4%
For Traffic and Other Operating Expenses	43.8%	42.1%	49.7%	40.6%	39.7%	32.8%
For Fixed Charges	37.8%	34.0%	32.7%	34.6%	32.8%	28.8%
For Surplus	Deficit	2.4%	1.4%	Deficit	1.8%	17.0%
	100.0%	100.0%		100.0%	100.0%	

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,705,919	1,675,938	1,706,363	1,432,041
Passenger miles per mile of road	48,441	52,095	46,896	49,401
Miles, yards and sidings	175	174	175	175

See Notes, Page 336.

## VANDALIA R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1904	824	\$8,261,782	\$1,006,052	1910	827	\$10,528,374	\$645,763
1905	824	7,845,222	985,465	1911	827	9,970,327	404,866
1906	828	8,904,859	1,060,552	1912	827	10,748,709	1,035,243
1907	829	10,053,186	1,079,945	1913	876	11,399,933	651,818
1908	829	8,582,570	739,592	1914	*910	11,006,672	282,559
1909	827	9,136,286	896,261				

\*Includes 109 miles used jointly with other companies.

## STOCK OUTSTANDING

December 31, 1914.	
Common .....	\$14,613,950
For Unconverted Stock..	35,566

## BONDS OUTSTANDING

December 31, 1914.	
Fixed Interest .....	\$19,083,000
Equipment .....	44,819

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$14,649,516	\$16,088
Bonds .....	19,127,819	21,030
Total .....	33,777,335	37,118

Fixed Charges below include \$466,936 for Rentals and \$316,628 for Hire of Equipment. Rentals include \$232,920 for Rental of Terre Haute & Peoria R. R. (this being 30% of latter's Operating Revenues).

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

Average miles operated, 910.		Total	Per Mile
Operating Revenues .....	(1915, \$11,426,270)	\$11,006,672	\$12,086
Operating Expenses .....	(1915, 8,704,159)	8,848,366	9,723
Net Operating Revenues .....	(1915, 2,722,111)	2,158,306	2,372
Other Income (including \$33,842 from Rentals).....		86,484	94
Gross Corporate Income .....	(1915, \$2,831,660)	2,243,790	2,466
Fixed Charges (including for Taxes, \$383,266).....		1,961,231	2,155
*Surplus (1915, After Skg. Fds. deducted, \$603,927)		282,559	311

## OPERATING EXPENSES

	Total	Per Mile	
Maintenance of Way .....	(1915, \$1,572,825)	\$1,490,887	\$1,638
Maintenance of Equipment .....	(1915, 2,231,545)	2,255,126	2,478
Traffic Expenses .....	(1915, 230,465)	287,433	315
Transportation Expenses .....	(1915, 4,219,793)	4,410,473	4,847
Miscellaneous Operations and General Expenses ...		404,387	444

Ratio of Operating Expenses to Operating Revenues 80.4 per cent.

\*This Surplus before deducting \$170,214 applied to Sinking and other Reserve Funds.

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910	1909
For Maintenance Expenses .....	33.8%	34.6%	32.4%	32.8%	33.0%	31.9%
For Traffic and Other Operating Expenses .....	46.0%	43.9%	42.9%	44.8%	43.7%	42.5%
For Fixed Charges .....	17.7%	15.8%	15.2%	18.4%	17.2%	15.8%
For Surplus .....	2.5%	5.7%	9.5%	4.0%	6.1%	9.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road.....	1,311,023	1,345,037	1,354,638	1,174,128
Passenger miles per mile of road ....	124,343	132,600	136,590	140,554
Miles, second and additional main track .....		69	69	69
Miles, yards and sidings .....		474	467	465

See Notes, Page 338.

**WABASH R. R.**

(Successor to Wabash R. R., through Reorganization)

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1911-12	2,515	\$23,354,764	1913-14	2,515	\$30,035,750
1912-13	2,515	31,763,287	1914-15	2,519	29,096,195

**\*STOCK OUTSTANDING**

	New Company.
Common	\$47,290,000
Preferred "A" (5%)	46,200,000
Conv. Pfd. "B" (5%)	49,970,000
Debenture "B" Bonds	315,000

**†BONDS OUTSTANDING**

	New Company.
†Fixed Interest	\$62,302,000
†Equipment	2,541,000
Notes	1,500,000

\*This Stock was issued under the plan of Reorganization (described in Notes). †These Bonds and Equipment Certificates remained undisturbed in the Reorganization. The above total does not include \$15,950,000 Receivers' Certificates and \$579,000 Equipment Certificates retired with cash realized under Plan of Reorganization. Likewise there is not included \$41,921,240 Bonds exchanged for Stocks as per plan.

**CAPITALIZATION—(Wabash Ry.)**

	Total	Per Mile
Stock and Debentures (old company, \$92,715,426)	\$145,775,000	\$57,870
Bonds (old company, \$129,660,149)	66,243,000	26,337
Total (old company, \$222,375,575)	212,118,000	84,217

Fixed Charges below include \$1,773,480 Joint Facilities Rents, \$1,186,778 Hire and Rental of Equipment—Dr., and \$3,147,442 Interest on Bonds and Equipment Certificates, all actually paid. Fixed Charges do not include \$941,750 Interest and \$166,922 Discount on Receiver's Certificates, retired as per Plan of Reorganization, nor does it include \$1,624,009 Interest on the \$41,921,240 First Refunding and Extension Mortgage Bonds not paid. These Bonds have been exchanged for Stocks of the Wabash Ry. (see Notes) and are not included above.

NOTE: For the six months ending December 31, 1915, Operating Revenues were \$16,877,872 (\$15,273,342; 1914) and Net Earnings after Taxes deducted were \$4,754,326 (\$3,344,350; 1914).

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

	Total	Per Mile
(Fixed Charges include Interest on obligations assumed by new Co.)		
Average miles operated, 2,519.		
Operating Revenues	\$29,096,195	\$11,551
Operating Expenses	23,102,228	9,171
Net Operating Revenues	5,993,967	2,379
Other Income	378,056	150
Gross Corporate Income	6,372,023	2,529
Fixed Charges (including for Taxes, \$969,003)	7,244,030	2,875
*Deficit	872,007	346

**†OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$3,749,264	\$1,488
Maintenance of Equipment	5,439,094	2,159
Traffic Expenses	1,038,639	412
Transportation Expenses	11,950,303	4,745
Miscellaneous Operations and General Expenses	924,928	367

Ratio of Operating Expenses to Operating Revenues 79.4 per cent.  
\*To this Deficit should be added \$783,043 for Additions and Betterments. †Includes \$602,188 Extraordinary Repairs and Renewals.

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1909-10
For Maintenance Expenses	31.2%	31.4%	29.7%	31.7%	27.7%
For Traffic and Other Operating Expenses	47.2%	47.6%	46.2%	48.1%	43.1%
For Fixed Charges				29.1%	27.8%
For Surplus		Deficit	Deficit	Deficit	Deficit

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,278,109	1,320,722	1,480,139	1,243,505
Passenger miles per mile of road	124,114	151,643	145,717	142,976
Miles, second, etc., main track	523	507	422	399
Miles, yards and sidings	1,158	1,151	1,127	1,087

See Notes, Page 339.



## THE EARNING POWER

## WABASH-PITTSBURGH TERMINAL RY.

(Including West Side Belt R. R.)

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1913-14	86	\$1,435,632	\$23,256	1914-15	86	\$1,185,697	*\$73,193

\*Deficit

## STOCK OUTSTANDING

## BONDS OUTSTANDING

	June 30, 1915		June 30, 1915
*Common	.....	\$10,000,000	†Fixed Interest
			.....
			Receivers' Certificates
			.....

\*Stock will not participate in Reorganization (see Notes). †Consists of \$30,236,000 First Mortgage 4% Bonds; \$20,000,000 Second Mortgage 4% Bonds (both issues in default), and \$165,834 Real Estate Mortgages. See Notes regarding Reorganization of Company and probable new Capitalization.

Fixed Charges below include (in addition to Taxes) \$28,122 for Rentals, \$59,336 for Hire of Equipment—Dr., \$17,589 for Rental of Wabash R. R. Cars, \$61,030 for Interest on Bonds and Real Estate Mortgages and \$186,510 for Interest on Receivers' Certificates. No interest paid on First and Second Mortgage Bonds (see Notes).

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

(Includes Operations of West Side Belt R. R.)

	Total	Per Mile
Average miles operated, 86.		
Operating Revenues	\$1,185,697	\$13,787
Operating Expenses	874,808	10,172
Net Operating Revenues	310,889	3,615
Other Income	62,204	723
Gross Corporate Income	373,093	4,338
Fixed Charges (including for Taxes, \$93,600)	446,286	5,189
Deficit	73,193	861

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$157,263	\$1,829
Maintenance of Equipment	218,447	2,540
Traffic Expenses	33,958	395
Transportation Expenses	375,710	4,368
Miscellaneous Operations and General Expenses	89,430	1,040

Ratio of Operating Expenses to Operating Revenues 73.8 per cent.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses	30.1%
For Traffic and Other Operating Expenses	40.0%
For Fixed Charges	35.7%
For Surplus	Deficit

	1914-15	1913-14
Ton miles per mile of road	1,164,634	1,434,784
Passenger miles per mile of road	73,266	71,229

See Notes, Page 343.

## WHEELING &amp; LAKE ERIE R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1906-6	442	\$5,318,801	\$152,397	1910-11	457	\$6,800,707	**\$247,961
1906-7	442	6,124,207	332,229	1911-12	457	7,498,146	**\$318,117
1907-8	442	5,397,001	+603,927	1912-13	459	7,531,948	†**286,995
1908-9	442	5,633,645	*+421,330	1913-14	491	7,637,346	**69,981
1909-10	457	6,950,437	**382,451	1914-15	512	5,428,069	†**747,140

\*Estimated. †Deficit. \*\*After deducting \$400,000 Interest on Notes. †Includes 32 miles trackage. Increase in mileage due to ruling of I. C. C. that certain mileage should be included in revenue mileage.

## STOCK OUTSTANDING

June 30, 1915

Common	\$20,000,000
Preferred 1st (4%)	4,986,900
Preferred 2d (4%)	11,993,500

## BONDS OUTSTANDING

June 30, 1915

Fixed Interest	\$15,000,000
Equipment	2,913,000
Receiver's Certificates	5,632,869
*Notes	8,000,000

\*See Notes as to General Mortgage 4% Bonds authorized in 1905, of which \$12,000,000 Bonds (not included above) are deposited as security for \$3,000,000 5% Notes which matured August 1, 1908, but which were outstanding June 30, 1915. The principal of these Notes was not paid at maturity, and they were purchased by a syndicate.  
Bills Payable to Banking Institutions on June 30, 1915, were \$755,000.

## CAPITALIZATION

	Total	Per Mile
Stock	\$36,980,400	\$72,227
Bonds	31,595,869	61,711
Total	68,576,269	133,938

Fixed Charges below include \$53,065 for Rentals, \$187,665 for Hire of Equipment—Dr., \$416,189 Interest on Receiver's Certificates, and \$400,000 Interest on Notes (not actually paid).

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 512.	Total	Per Mile
Operating Revenues	\$5,428,069	\$10,602
Operating Expenses	4,039,740	7,890
Net Operating Revenues	1,388,329	2,712
Other Income	20,273	39
Gross Corporate Income	1,408,602	2,751
Fixed Charges (including for Taxes, \$385,907)	*2,155,742	4,210
*Deficit	*747,140	1,459

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$604,591	\$1,181
Maintenance of Equipment	1,043,748	2,038
Traffic Expenses	112,250	219
Transportation Expenses	2,088,758	4,080
Miscellaneous Operations and General Expenses	190,393	372

Ratio of Operating Expenses to Operating Revenues 74.4 per cent.

\*To this Deficit should be added \$94,568 for Additions and Betterments. The annual report of the Company showed charges of \$1,755,742 and a Deficit of \$347,140. These charges did not include \$400,000 Interest on the 5% Notes, included in the statement above.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	30.2%	29.6%	37.4%	30.2%	30.4%	30.6%
For Traffic and Other						
Operating Expenses	43.9%	38.9%	37.5%	36.8%	39.1%	37.2%
For Fixed Charges	39.6%	30.6%	28.8%	28.8%	26.9%	30.8%
For Surplus	Deficit	0.9%	Deficit	4.2%	3.6%	2.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,352,834	2,538,701	2,876,338	2,706,844
Passenger miles per mile of road	68,794	82,026	91,159	87,474
Miles, second, etc., main track	10	10	10	10
Miles, belt tracks, yards and sidings	441	463	460	456

See Notes, Page 345.

## ATLANTA &amp; WEST POINT R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901-2	86	\$763,712	\$188,544	1908-9	86	\$964,917	\$78,117
1902-3	88	806,373	217,161	1909-10	92	1,090,141	*259,406
1903-4	86	853,647	232,837	1910-11	93	1,208,212	326,284
1904-5	86	913,208	254,001	1911-12	93	1,263,363	261,932
1905-6	86	1,024,653	287,193	1912-13	93	1,238,926	249,771
1906-7	86	1,180,780	309,874	1913-14	93	1,277,668	256,451
1907-8	86	1,151,791	119,365	1914-15	93	1,185,838	168,202

\*This Surplus figured on basis of present Capitalization. See below under Stock Outstanding.

## STOCK OUTSTANDING JUNE 30, 1915

	Total	Per Mile
Common Stock	\$2,463,600	\$26,490

\*Includes \$1,230,400 new Stock sold to Stockholders at par, and Issued July 1, 1910. The proceeds of this Stock Issue were used to retire at par \$1,232,200 of 6% Certificates of Indebtedness.

Fixed Charges below include \$69,870 for Joint Facility Rents and \$81,649 for Rent for Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 93.		
Operating Revenues	\$1,185,338	\$12,746
Operating Expenses	934,379	10,047
Net Operating Revenues	250,959	2,699
Other Income (including \$107,549 Hire of Equipment)	147,048	1,581
Gross Corporate Income	398,007	4,280
Fixed Charges (including for Taxes, \$75,079)	229,806	2,471
Surplus	168,202	1,809

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$168,218	\$1,809
Maintenance of Equipment	254,234	2,734
Traffic Expenses	64,036	688
Transportation Expenses	371,526	3,995
Miscellaneous Operations and General Expenses	76,365	821

Ratio of Operating Expenses to Operating Revenues 78.8 per cent.

Other Income above includes as stated \$107,549 from Hire of Equipment; of this amount \$20,972 represents Credit Balance—Hire of Freight Cars.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	31.7%	32.8%	29.0%	30.0%	28.7%	29.9%
For Traffic and Other						
Operating Expenses	38.4%	38.3%	41.5%	40.2%	37.4%	38.8%
For Fixed Charges	17.3%	10.0%	10.3%	9.7%	8.1%	8.4%
For Surplus	12.6%	18.9%	19.2%	20.1%	25.8%	22.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	464,991	501,029	488,902	516,098
Passenger miles per mile of road	240,888	279,196	276,913	273,711
Miles, second and additional main track	2	2	2	2
Miles, yards and sidings	30	30	28	27

See Notes, Page 347.

## ATLANTA, BIRMINGHAM &amp; ATLANTIC RY.

(Successor to Atlanta, Birmingham &amp; Atlantic R. R.)

Avg. Miles			Avg. Miles				
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1903-4	220	\$672,229	\$107,866	1909-10	654	\$2,579,346.	*\$647,688
1904-5	337	1,001,513	80,692	1910-11	662	2,810,410	*649,089
1905-6	324	1,128,327	73,858	1911-12	662	3,246,302	*780,377
1906-7	393	1,589,148	49,077	1912-13	645	3,243,046	*838,141
1907-8	491	1,583,805	44,638	1913-14	640	3,899,361	.....
1908-9	623	2,069,810	*806,089	1914-15	640	2,656,483	.....

\*Deficit.

## \*STOCK OUTSTANDING

(A., B. &amp; A. Ry.)

December 31, 1915.

Common ..... \$30,000,000  
Income Bonds (5%) ..... 5,200,000

## †BONDS OUTSTANDING

(A., B. &amp; A. Ry.)

December 31, 1915.

Fixed Interest ..... \$4,080,000

\*The A. B. & A. R. R. (old company) had outstanding \$10,000,000 Preferred Stock and \$25,000,000 Common Stock. †The A. B. & A. R. R. had outstanding \$35,431,931 Bonds, Receivers' Certificates, Equipment Obligations and Guaranteed Bonds.

## CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$35,200,000	\$55,000
Bonds	4,080,000	6,391
Total	39,280,000	61,391

Fixed Charges below include \$204,500 Interest on Atlantic & Birmingham R. R. First Mortgage Bonds, but does not include Interest on \$26,346,931 Bonds and Equipment Obligations, Receivers' Certificates, etc., of the A., B. & A. R. R., and Interest on the Bonds (payable as Rentals) of Alabama Terminal R. R. and Georgia Terminal Co., none of which Bonds were exchangeable for Fixed Interest Bearing Obligations under the Plan of Reorganization.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1914

(A., B. &amp; A. R. R.—Fixed Charges Estimated.)

Average miles operated, 640.	Total	Per Mile
Operating Revenues ..... (1914-15, \$2,656,483)	\$3,899,361	\$5,311
Operating Expenses ..... (1914-15, 2,374,110)	2,766,954	4,223
Net Operating Revenues ..... (1914-15, 282,373)	632,407	988
Other Income	48,702	76
Gross Corporate Income	681,109	1,064
Fixed Charges (including for Taxes, \$172,042)	391,486	611
*Surplus	289,623	453

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$539,650	\$843
Maintenance of Equipment	542,909	848
Traffic Expenses	170,408	267
Transportation Expenses	1,375,044	2,148
General Expenses	138,943	217

Ratio of Operating Expenses to Operating Revenues 81.5 per cent.

\*Estimated charges of new company (see above). Under the former Capitalization, a Deficit of \$777,771 would have resulted.

For the six months ending December 31, 1915, Operating Revenues were approximately \$1,535,413 as compared with \$1,377,654, July 1 to December 31, 1914. There was an approximate Surplus after all charges of \$138,850 as compared with a Deficit July 1 to December 31, 1914 (new basis), of \$24,493.

## APPROPRIATION OF GROSS INCOME

	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	31.4%	32.2%	28.6%	27.2%
For Traffic and Other Operating Expenses	48.9%	49.7%	49.7%	45.8%
For Fixed Charges	11.3%	43.7%	45.5%	49.1%
For Surplus	8.4%	Deficit	Deficit	Deficit

	1913-14	1912-13	1911-12	1909-10
Ton miles per mile of road	489,205	484,469	354,232	
Passenger miles per mile of road	43,715	44,883	40,554	
Miles, second and additional main track	3	3	3	3
Miles, yards and sidings	145	183	170	165

See Notes, Page 348.

## ATLANTIC COAST LINE R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1903-4	4,192	\$20,544,975	\$4,283,482	1909-10	4,482	\$29,810,268	\$6,993,254
1904-5	4,307	22,222,902	4,669,712	1910-11	4,494	31,622,449	7,430,031
1905-6	4,327	24,868,448	4,816,942	1911-12	4,526	33,463,558	7,010,882
1906-7	4,347	26,771,528	3,117,955	1912-13	4,611	36,123,072	7,889,203
1907-8	4,365	26,029,052	2,781,147	1913-14	4,646	36,832,780	7,338,946
1908-9	4,434	26,144,065	4,628,779	1914-15	4,689	31,536,475	4,313,281

## STOCK OUTSTANDING

June 30, 1915.

Common	\$67,558,000
Preferred (5%)	196,700
Class "A", R. & P. R. R.	1,000,000
Income Bonds	31,000

\*Includes \$136,200 Certificates of Indebtedness but does not include \$19,888,780 Bonds held by or for the Company. †Convertible into Common Stock at 135 before January 15, 1920.

## BONDS OUTSTANDING

June 30, 1915.

*Fixed Interest	\$94,456,200
Equipment	2,523,000
L. & N. Coll.	35,000,000
†Convertibles	4,482,935

## CAPITALIZATION

	Total	Per Mile
Stock	\$68,755,700	\$14,970
Bonds	136,462,135	29,102
Total	205,247,835	43,772

Fixed Charges below include \$178,011 for Rentals, and \$142,825 Loss Separately Operated Properties.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915.

	Total	Per Mile
Average miles operated, 4,689.		
Operating Revenues	\$31,536,475	\$6,726
Operating Expenses	22,904,157	4,885
Net Operating Revenues	8,632,318	1,841
Other Income (including \$342,921 from Rentals)	3,304,747	705
Gross Corporate Income	11,937,065	2,548
Fixed Charges (including for Taxes, \$1,589,157)	7,623,784	1,636
*Surplus	4,313,281	920

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,572,651	\$975
Maintenance of Equipment	5,438,461	1,160
Traffic Expenses	661,514	141
Transportation Expenses	†11,240,608	2,397
Miscellaneous Operations and General Expenses	990,923	212

Ratio of Operating Expenses to Operating Revenues 72.6 per cent.

\*This Surplus before deducting \$12,344 Income applied to Sinking and Other Reserve Funds. †After deducting \$50,502 Transportation for Investment—Cr.

Other Income above includes \$433,077 Hire of Equipment—Cr., \$2,020,131 Dividend Income (\$2,950,889; 1913-14), and \$58,321 Miscellaneous Non-Operating Revenues.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	28.7%	27.4%	25.7%	25.4%	24.4%	24.5%
For Traffic and Other Operating Expenses	37.0%	36.7%	36.1%	36.1%	34.3%	32.3%
For Fixed Charges	21.9%	21.9%	18.4%	19.4%	19.9%	21.8%
For Surplus	12.4%	18.0%	19.8%	19.1%	21.4%	21.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	373,380	439,168	441,647	403,473
Passenger miles per mile of road	76,424	89,836	86,472	83,164
Miles, second and additional main track	382	270	194	138
Miles, yards and sidings		1,100	1,073	1,011

See Notes, Page 350.

## CAROLINA, CLINCHFIELD &amp; OHIO RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1909-10	283	\$1,151,391	†\$385,192	1912-13	256	\$2,634,635	\$742,314
1910-11	256	1,811,755	†138,081	1913-14	256	2,679,208	700,114
1911-12	256	2,321,903	182,129	1914-15	*256	2,260,776	147,806

\*See Notes regarding Elkhorn Extension (Dante, Va., to Elkhorn City, Ky.—34 miles) opened for Traffic, July 1, 1915. †Deficit.

## STOCK OUTSTANDING

	June 30, 1915
Common	\$25,000,000
*Preferred (6%)	10,000,000

## BONDS OUTSTANDING

	June 30, 1915
†Fixed Interest	\$13,700,000
Equipment	2,682,000
†Notes	7,500,000
Other	663,521

\*Does not include \$2,000,000 in Treasury. †Does not include \$650,000 Bonds in Treasury or pledged as Collateral. ‡\$5,500,000 Elkhorn Extension First Mortgage 5% Notes due 1917 and \$2,000,000 5% Notes due 1919.

Loans and Bills Payable, June 30, 1915, \$500,000.

## CAPITALIZATION

	Total	Per Mile
Stock	\$35,000,000	\$136,719
Bonds	24,545,521	95,881
Total	59,545,521	232,600

Fixed Charges below include \$8,424 for Joint Facility Rents.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 256.		
Operating Revenues	\$2,260,776	\$8,821
Operating Expenses	1,182,309	4,657
Net Operating Revenues	1,068,467	4,174
Other Income (including \$230,274 Hire of Equipment)	232,573	908
Gross Corporate Income	1,301,040	5,082
Fixed Charges (including for Taxes, \$164,267)	1,153,234	4,505
Surplus	147,806	577

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$250,578	\$979
Maintenance of Equipment	278,773	1,089
Traffic Expenses	101,441	396
Transportation Expenses	*435,979	1,703
General Expenses	125,538	490

Ratio of Operating Expenses to Operating Revenues 52.7 per cent.

\*After deducting \$13,437 Transportation for Investment—Cr.

Other Income above includes \$2,289 from Rentals.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13
For Maintenance Expenses	21.2%	17.1%	15.2%
For Traffic and Other Operating Expenses	26.6%	24.0%	23.2%
For Fixed Charges	46.3%	36.0%	36.1%
For Surplus	5.9%	22.9%	25.5%
	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,405,320	1,653,594	1,591,106	1,525,510
Passenger miles per mile of road	31,311	42,078	35,703	27,228
Miles, yards and sidings	96	96	94	93

See Notes, Page 355.

## CENTRAL OF GEORGIA RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901-2	1,845	\$7,750,691	\$122,940	1908-9	1,916	\$11,155,182	\$1,055,264
1902-3	1,845	9,164,471	203,508	1909-10	1,916	12,052,756	1,319,338
1903-4	1,865	9,396,931	388,487	1910-11	1,915	12,907,788	1,722,740
1904-5	1,878	10,135,055	854,517	1911-12	1,915	13,932,153	1,666,193
1905-6	1,878	11,396,123	1,250,671	1912-13	1,924	13,854,872	1,223,464
1906-7	1,899	12,082,777	448,126	1913-14	1,924	14,210,743	1,091,042
1907-8	1,913	11,383,013	319,342	1914-15	*1,924	12,108,184	1,202,005

\*Includes 478 miles leased and 14 miles trackage.

## STOCK OUTSTANDING

June 30, 1915

Common	\$5,000,000	†Fixed Interest	\$36,375,000
*Preferred (6%)	15,000,000	Equipment	364,000
†Income Bonds	298,350		

\*Cumulative, this Stock was issued on July 1, 1912, at par. Proceeds were used to acquire 5% Income Bonds. †See Notes. ‡Does not include \$7,151,000 General and Refunding 5% Bonds in Treasury or due from Trustees.

Loans and Bills Payable June 30, 1915, \$3,665,141.

## BONDS OUTSTANDING

June 30, 1915

## CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$20,298,350	\$10,550
Bonds	36,739,000	19,095
Total	57,037,350	29,645

Fixed Charges below include \$585,649 for Rentals (of which \$369,013 for Rent of Leased Roads), \$58,995 for Hire of Equipment and \$14,917 Interest on Income Bonds.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,924.		
Operating Revenues	\$12,108,184	\$6,293
Operating Expenses	8,973,511	4,664
Net Operating Revenues	3,134,673	1,629
Other Income (including \$173,957 from Rentals)	1,355,998	705
Gross Corporate Income	4,490,671	2,334
Fixed Charges (including for Taxes, \$576,544)	3,288,666	1,709
*Surplus	1,202,005	625

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,654,258	\$860
Maintenance of Equipment	2,246,873	1,168
Traffic Expenses	407,173	211
Transportation Expenses	*4,228,665	2,198
Miscellaneous Operations and General Expenses	436,542	227

Ratio of Operating Expenses to Operating Revenues 74.1 per cent.

\*After deducting \$25,592 Transportation for Investment—Cr.

Other Income above includes \$231,544 from Hire of Equipment, and \$856,608 Dividend Income, including \$718,712 Dividends (16% regular and 20% extra) from Ocean Steamship Co. of Savannah. In 1913-14 Dividend Income was \$454,258.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	29.0%	32.1%	31.4%	28.5%	28.6%	30.5%
For Traffic and Other						
Operating Expenses	37.7%	38.9%	39.0%	39.0%	37.0%	35.4%
For Fixed Charges	24.4%	21.8%	21.2%	21.2%	21.9%	23.9%
For Surplus	8.9%	7.2%	8.4%	11.3%	12.5%	10.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	394,915	440,211	436,325	414,633
Passenger miles per mile of road	76,426	94,422	91,778	93,086
Miles, second and additional main track				6
Miles, yards and sidings				607

See Notes, Page 356.

**CHARLESTON & WESTERN CAROLINA RY.**

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1901-2	340	\$968,760	1908-9	340	\$1,410,030
1902-3	340	1,123,156	1909-10	341	1,570,432
1903-4	340	1,159,174	1910-11	341	1,934,200
1904-5	340	1,250,920	1911-12	341	1,933,896
1905-6	341	1,513,153	1912-13	341	1,895,999
1906-7	341	1,516,083	1913-14	341	2,095,812
1907-8	340	1,408,139	1914-15	342	1,765,636
					Surplus
					\$113,579
					237,214
					363,496
					113,467
					177,806
					203,860
					71,872

**STOCK OUTSTANDING**

**BONDS OUTSTANDING**

June 30, 1915		June 30, 1915	
Common	\$1,200,000	*Fixed Interest	\$5,700,000
*Includes \$2,380,000 First Consolidated Bonds of 1914. Interest on which is payable 2% for first two years, 3% for the next three years, 4% for the next five years and 5% thereafter from January 1, 1924, to maturity (1964). These Bonds were issued in exchange for a like amount of 5% Income Bonds.			

**CAPITALIZATION**

	Total	Per Mile
Stock	\$1,200,000	\$3,500
Bonds	5,700,000	16,667
Total	6,900,000	20,176
Fixed Charges below include \$8,722 for Rentals, \$54,359 Dr.—Hire of Freight Cars, and \$2,573 for Rental of Other Equipment.		

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

Average miles operated, 342.	Total	Per Mile
Operating Revenues	\$1,765,636	\$5,163
Operating Expenses	1,361,344	3,981
Net Operating Revenues	404,292	1,182
Other Income (including \$22,133 from Rentals)	41,174	120
Gross Corporate Income	445,466	1,302
Fixed Charges (including for Taxes, \$64,484)	373,594	1,092
Surplus	71,872	210

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$329,144	\$963
Maintenance of Equipment	298,045	872
Traffic Expenses	41,000	120
Transportation Expenses	640,363	1,872
Miscellaneous Operations and General Expenses	52,792	154
Ratio of Operating Expenses to Operating Revenues 77.1 per cent.		
Other Income above includes \$8,371 Rent from Rolling Stock.		

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	34.7%	32.8%	33.0%	33.8%	28.3%	32.5%
For Traffic and Other						
Operating Expenses	40.6%	42.5%	43.5%	43.3%	38.1%	37.2%
For Fixed Charges	20.7%	15.1%	14.3%	17.1%	15.1%	15.5%
For Surplus	4.0%	9.6%	9.2%	5.8%	18.5%	14.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	424,351	501,841	385,264	433,111
Passenger miles per mile of road	38,236	47,818	43,830	45,341
Miles, yards and sidings	91	90	89	83

See Notes, Page 357.



## CHESAPEAKE &amp; OHIO RY.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1901-2	1,618		\$16,524,379	\$2,060,409	1908-9	1,897		\$26,630,713	\$4,012,127
1902-3	1,637		16,711,602	1,269,604	1909-10	1,937		31,237,169	6,260,486
1903-4	1,651		19,297,525	1,944,511	1910-11	*2,229		32,583,411	3,228,285
1904-5	1,672		20,724,371	2,871,639	1911-12	*2,263		34,289,870	4,274,206
1905-6	1,794		24,602,988	4,607,223	1912-13	*2,319		35,085,278	3,298,503
1906-7	1,827		25,796,861	3,392,999	1913-14	*2,346		36,690,021	2,971,816
1907-8	1,840		25,843,272	2,784,387	1914-15	*2,369		39,464,037	2,663,537

\*Includes Chicago Line (284 miles) not previously included; likewise 224 miles used jointly.

## STOCK OUTSTANDING

June 30, 1915

Common	\$62,792,600	*Fixed Interest	\$133,686,000
Preferred 1st	3,000	Equipment	6,413,163
Preferred 2d	200	Notes (5%) due 1919	\$3,000,000

\*Includes \$31,390,000 4½% Bonds convertible into Stock at par until 1920.

## BONDS OUTSTANDING

June 30, 1915

CAPITALIZATION		Total	Per Mile
Stock	\$62,796,800	\$26,507	
Bonds	173,099,163	73,070	
Total	235,894,963	99,577	

Fixed Charges below include \$860,074 for Rentals for Leased Roads, Joint Tracks, etc.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 2,369.		Total	Per Mile
Operating Revenues	\$39,464,037	\$16,658	
Operating Expenses	27,556,413	11,632	
Net Operating Revenues	11,907,624	5,026	
Other Income (including \$77,634 Hire of Equipment)	1,106,915	467	
Gross Corporate Income	13,014,539	5,493	
Fixed Charges (including for Taxes, \$1,349,497)	10,351,002	4,369	
Surplus	2,663,537	1,124	

## OPERATING EXPENSES

Total		Per Mile
Maintenance of Way	\$4,694,522	\$1,982
Maintenance of Equipment	8,243,170	3,480
Traffic Expenses	650,406	274
Transportation Expenses	*12,862,085	5,429
Miscellaneous Operations and General Expenses	1,106,230	467

Ratio of Operating Expenses to Operating Revenues 69.8 per cent.

\*After deducting \$33,994 Transportation for Investment—Cr.  
Other Income above includes \$635,346 Interest from Investments and Accounts (\$1,168,028 in 1913-14) and \$88,696 Profit on C. & O. Grain Elevator; other Income does not include \$1,119,315 Profit on sale of Kanawha & Michigan Ry. Stock.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	31.9%	30.4%	31.1%	29.6%	30.3%	28.6%
For Traffic and Other						
Operating Expenses	36.0%	35.6%	34.4%	33.0%	33.5%	29.9%
For Fixed Charges	25.5%	26.3%	25.7%	25.6%	26.7%	22.1%
For Surplus	6.6%	7.7%	8.8%	11.8%	9.5%	19.4%

100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
Ton miles per mile of road	3,435,061	3,011,617	2,886,968	2,857,056	2,957,056	2,957,056
Passenger miles per mile of road	113,700	124,330	116,155	111,627		
Miles, second and additional main track		575	575	575	575	575
Miles, yards and sidings		1,003	983	971	980	980

See Notes, Page 358.

COAL & COKE RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1908-9	191	\$717,308	*\$60,950	1912-13	198	\$1,247,870	\$216,416
1909-10	191	882,792	21,223	1913-14	198	1,256,943	89,788
1910-11	198	942,753	38,084	1914-15	198	1,180,560	*39,913
1911-12	198	1,117,959	61,754				

\*Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common	\$10,000,000	Fixed Interest	\$4,089,000
Preferred (5%)	10,000,000	Equipment	81,755
Bills Payable, June 30, 1915, were		\$1,510,390 and amount due H. G. Davis, \$20,233.	

CAPITALIZATION

	Total	Per Mile
Stock	\$20,000,000	\$101,010
Bonds	4,190,755	21,165
Total	24,190,755	122,175
Fixed Charges below include \$2,328 for Rentals, and \$3,779 Deficit Coal Department (Net Earnings, \$76,221; Rental, \$90,000; Deficit, \$3,779).		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 198.		
Operating Revenues	\$1,180,560	\$5,963
Operating Expenses	889,701	4,241
Net Operating Revenues	340,859	1,722
Other Income	2,258	11
Gross Corporate Income	343,117	1,733
Fixed Charges (including for Taxes, \$50,510)	383,030	1,935
Deficit	39,913	202

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$187,899	\$949
Maintenance of Equipment	237,540	1,200
Traffic Expenses	11,223	57
Transportation Expenses and Car Service	372,853	1,883
General Expenses	30,086	152
Ratio of Operating Expenses to Operating Revenues 71.1 per cent.		
Other Income above includes \$1,785 Revenue from Oil Wells.		

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	35.9%	31.8%	29.3%	30.7%	32.9%	35.3%
For Traffic and Other Operating Expenses	35.0%	33.7%	29.3%	29.6%	29.4%	28.5%
For Fixed Charges	32.4%	27.9%	25.7%	34.2%	33.8%	33.9%
For Surplus	Deficit	6.6%	15.7%	5.5%	3.9%	2.3%
		100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	687,203	594,112	524,571	475,396
Passenger miles per mile of road	32,890	38,846	42,608	35,411
Miles, yards and sidings				40

See Notes, Page 362.

## FLORIDA EAST COAST RY.

Year	Avg. Miles			Surplus	Year	Avg. Miles			Surplus
	Oper.	Gross				Oper.	Gross		
1909-10	583	\$3,687,434		\$818,924	1912-13	642	\$5,037,056		\$546,431
1910-11	583	4,181,278		867,131	1913-14	696	5,347,819		741,215
1911-12	608	4,432,304		551,220	1914-15	745	5,392,782		1,213,519

## STOCK OUTSTANDING

June 30, 1915

*Common	\$10,000,000
Income Bonds (5%)	25,000,000

\*Includes \$5,000,000 Common Stock sold at par in April, 1914.

Loans and Bills Payable, June 30, 1915, \$2,040,381.

## BONDS OUTSTANDING

June 30, 1915

Fixed Interest	\$12,000,000
Equipment	350,000

## CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$35,000,000	\$46,980
Bonds	12,350,000	16,577
Total	47,350,000	63,557

Fixed Charges below include \$19,475 for Rentals and \$49,342 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 745.		
Operating Revenues	\$5,392,782	\$7,239
Operating Expenses	3,337,836	4,481
Net Operating Revenues	2,054,946	2,758
Other Income (from Water Lines)	\$40,001	54
Gross Corporate Income	2,094,947	2,812
Fixed Charges (including for Taxes, \$236,090)	881,628	1,183
†Surplus	1,213,319	1,629

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$697,683	\$937
Maintenance of Equipment	678,191	910
Traffic Expenses	103,826	139
Transportation Expenses	11,617,659	2,372
Miscellaneous Operations and General Expenses	240,477	323

Ratio of Operating Expenses to Operating Revenues 61.9 per cent.

\*Transportation Water Lines, Earnings \$120,696, Expenses \$30,694;  
 Net Earnings \$40,001. †This Surplus before deducting \$1,000,000 Interest  
 on General Mortgage Income Bonds. ‡After deducting \$36,207 Trans-  
 portation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	25.4%	30.0%	29.3%	23.7%	26.0%	25.3%
For Traffic and Other						
Operating Expenses	36.1%	38.3%	41.2%	40.9%	36.0%	34.5%
For Fixed Charges	16.2%	17.8%	18.8%	18.1%	17.4%	18.1%
For Surplus	22.3%	13.9%	10.7%	12.3%	20.6%	22.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	*219,808	214,854	222,907	196,795
Passenger miles per mile of road	93,141	109,304	107,792	104,331
Miles, yards and sidings	123	123	116	110

\*Does not include tonnage of Water Line.

See Notes, Page 363.

GEORGIA SOUTHERN & FLORIDA RY.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1901-2	285		\$1,250,376	\$119,009	1908-9	395		\$1,996,937	\$200,283
1902-3	358		1,635,191	154,898	1909-10	395		2,322,158	151,125
1903-4	395		1,693,541	143,885	1910-11	395		2,399,398	254,025
1904-5	395		1,714,702	135,677	1911-12	395		2,447,529	174,900
1905-6	395		1,944,946	160,159	1912-13	395		2,566,890	195,479
1906-7	395		2,273,345	118,275	1913-14	395		2,596,549	150,283
1907-8	395		1,963,546	109,398	1914-15	395		2,215,773	5,020

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$2,000,000	Fixed Interest	\$5,838,000
*Preferred 1st (5%)	684,000	Equipment	568,000
*Preferred 2d (5%)	1,084,000	Non-negotiable Debt to Affiliated Companies	169,265

\*See Notes as to provisions governing the payment of Dividends.

CAPITALIZATION

	Total	Per Mile
Stock	\$3,768,000	\$9,539
Bonds	6,575,265	16,646
Total	10,343,265	26,185

Fixed Charges below include \$48,402 for Joint Facility Rents.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 395.		
Operating Revenues	\$2,215,773	\$5,609
Operating Expenses	1,843,662	4,667
Net Operating Revenues	372,111	942
Other Income (including \$79,467 Hire of Equip.—Cr.)	108,158	274
Gross Corporate Income	480,269	1,216
Fixed Charges (including for Taxes, \$116,180)	475,249	1,203
*Surplus	5,020	12

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$284,555	\$746
Maintenance of Equipment	420,101	1,063
Traffic Expenses	84,899	215
Transportation Expenses	919,225	2,327
Miscellaneous Operations and General Expenses	124,882	318

Ratio of Operating Expenses to Operating Revenues 83.2 per cent.

\*This Surplus before deducting \$760 for Additions and Betterments.

Other Income above includes \$14,364 from Rentals.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	30.7%	30.0%	28.7%	28.8%	29.0%	30.8%
For Traffic and Other						
Operating Expenses	48.6%	46.6%	46.5%	46.1%	43.4%	44.7%
For Fixed Charges	20.5%	18.0%	17.6%	18.2%	17.5%	18.2%
For Surplus	0.2%	5.4%	7.2%	6.9%	10.1%	6.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	340,841	430,161	411,055	334,002
Passenger miles per mile of road	74,539	95,260	93,888	95,801
Miles, yards, sidings and second track	109	107	104	100

See Notes, Page 364.

## THE EARNING POWER

## MACON, DUBLIN &amp; SAVANNAH R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1904-5	92		\$244,904	\$69,399	1910-11	93		\$468,011	\$39,756
1905-6	92		268,549	53,975	1911-12	93		530,464	50,929
1906-7	93		298,010	4,065	1912-13	93		490,226	*38,702
1907-8	93		350,371	*20,914	1913-14	93		541,182	*5,315
1908-9	93		334,562	*9,405	1914-15	93		452,579	*11,932
1909-10	93		418,464	46,423					

\*Deficit.

## STOCK OUTSTANDING

June 30, 1915.

Common	\$2,040,000	*Fixed Interest	\$1,505,000
*Does not include \$50,000 Bonds held in Treasury.			
Notes Payable, June 30, 1915,	\$104,371.		

## BONDS OUTSTANDING

June 30, 1915.

## CAPITALIZATION

	Total	Per Mile
Stock	\$2,040,000	\$21,936
Bonds	1,505,000	16,183
Total	3,545,000	38,119
Fixed Charges below include \$1,603 for Rentals and \$21,813 for Hire of Equipment.		

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 93.		
Operating Revenues	\$452,579	\$4,868
Operating Expenses	343,475	3,693
Net Operating Revenues	109,104	1,178
Other Income (including \$2,014 from Rentals)	2,598	28
Gross Corporate Income	111,702	1,201
Fixed Charges (including for Taxes, \$16,545)	123,634	1,329
Deficit	11,932	128

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$56,601	\$609
Maintenance of Equipment	47,168	507
Traffic Expenses	37,525	408
Transportation Expenses	178,932	1,924
General Expenses	23,249	250
Ratio of Operating Expenses to Operating Revenues 76.9 per cent.		

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	22.8%	24.5%	32.5%	24.8%	27.7%	24.0%
For Traffic and Other Operating Expenses	52.7%	51.2%	52.0%	44.2%	42.5%	42.9%
For Fixed Charges	27.2%	25.1%	23.4%	21.4%	21.4%	22.1%
For Surplus	Deficit	Deficit	Deficit	9.6%	8.4%	11.0%
				100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road			344,708	302,347
Passenger miles per mile of road			52,096	56,884
Miles, yards and sidings				6

See Notes, Page 365.

NORFOLK SOUTHERN R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1901-2	146		\$709,389	\$96,645	1908-9	582		\$2,417,320	†\$340,637
1902-3	152		792,714	110,736	1909-10	598		2,690,470	†43,234
1903-4	162		821,767	162,699	1910-11	607		2,965,671	610,460
1904-5	223		879,633	17,100	1911-12	608		3,284,824	589,241
1905-6	223		992,220	33,712	1912-13	*569		3,324,767	829,223
1906-7	442		1,924,265	20,941	1913-14	*843		*3,990,020	*†68,233
1907-8	582		2,182,972	†485,935	1914-15	*860		*3,625,662	*†206,089

\*Does not include operations of Electric Division (47 miles) previously included; beginning 1913-14 includes mileage of Raleigh, Charlotte & Southern Ry. (292 miles), merged. †Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	.....\$16,000,000	*Fixed Interest	.....\$16,876,571
		Equipment	.....425,000

\*Includes \$3,982,571 Bonds assumed; does not include \$2,406,000 Assumed Bonds owned and pledged.

CAPITALIZATION

	Total	Per Mile
Stock	.....\$16,000,000	\$18,606
Bonds	.....17,301,571	20,118
Total	.....33,301,571	38,723

Fixed Charges below include \$77,956 for Rentals of Leased Lines and \$259,951 for Hire of Equipment.

\*INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

(\*Steam Lines.)

	Total	Per Mile
Average miles operated, 860.		
Operating Revenues	.....\$3,625,662	\$4,216
Operating Expenses	.....2,754,032	3,202
Net Operating Revenues	.....871,630	1,014
Other Income (including \$256,342 Hire of Equipment)	.....309,297	359
Gross Corporate Income	.....1,180,927	1,373
Fixed Charges (including for Taxes, \$122,324)	.....1,386,966	1,613
Deficit	.....206,039	240

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	.....\$489,693	\$569
Maintenance of Equipment	.....554,995	645
Traffic Expenses	.....82,011	96
Transportation Expenses	.....1,401,892	1,630
General Expenses	.....225,441	262

Ratio of Operating Expenses to Operating Revenues 76.0 per cent.  
 \*Operations of combined Steam and Electric Lines resulted as follows: Operating Revenues \$3,875,875, Net Operating Revenues \$901,998; Deficit \$189,491. In 1912-14 and 1914-15 no Dividend was received from the John G. Roper Lumber Co.; in 1912-13 \$320,000 was received and included in Other Income.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	.....26.5%	27.6%	22.6%	23.3%	23.8%
For Traffic and Other Operating Expenses	.....43.5%	40.2%	34.9%	38.1%	37.7%
For Fixed Charges	.....35.3%	34.3%	19.9%	21.2%	19.3%
For Surplus	.....Deficit	Deficit	22.6%	17.4%	20.2%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	.....191,848	213,193	251,188	234,048
Passenger miles per mile of road	.....44,225	49,727	66,146	57,907
Miles, second, etc., main track	.....9	2	2	9
Miles, yards and sidings	.....*163	149	114	118

\*Includes Electric Division.

See Notes, Page 365.

## NORFOLK &amp; WESTERN RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901-2	1,677	\$17,552,205	\$5,123,095	1908-9	1,925	\$29,327,102	\$6,665,433
1902-3	1,713	21,160,675	6,040,189	1909-10	1,945	35,063,870	9,043,185
1903-4	1,728	22,800,991	5,819,302	1910-11	1,972	35,557,522	7,557,396
1904-5	1,799	24,089,260	5,833,454	1911-12	2,010	39,735,237	9,331,674
1905-6	1,853	28,487,766	7,452,375	1912-13	2,023	43,739,921	11,106,641
1906-7	1,876	31,164,381	7,000,320	1913-14	2,036	44,470,619	10,268,140
1907-8	1,881	28,962,217	5,773,909	1914-15	2,042	42,987,044	10,409,905

## STOCK OUTSTANDING

June 30, 1915

*Common	\$108,154,400
Preferred (4%)	22,991,800

## BONDS OUTSTANDING

June 30, 1915

Fixed Interest	\$96,845,500
Equipment	11,004,000

\*Includes \$395,500 Stock issued at par in 1914-15 in exchange for Convertible Bonds.  
 †Includes \$13,584,000 4% Bonds and 4% Bonds convertible into Common Stock at par (see Notes). Above total does not include N. & W.—Pocahontas Joint 4% Bonds (\$17,723,000), and Guaranteed Bonds as follows: \$5,000,000 Winston-Salem Southbound Ry. 4%, and \$1,000,000 Norfolk Terminal Ry. 4%.

## CAPITALIZATION

	Total	Per Mile
Stock	\$131,146,200	\$64,224
Bonds	107,849,500	52,816
Total	238,995,700	117,040

Fixed Charges below include \$108,636 for Rentals, and \$49,541 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 2,042		
Operating Revenues	\$42,987,044	\$21,051
Operating Expenses	27,831,815	13,630
Net Operating Revenues	15,155,229	7,421
Other Income (including \$77,663 from Rentals)	2,043,233	1,001
Gross Corporate Income	17,198,462	8,422
Fixed Charges (including for Taxes, \$1,878,000)	6,788,557	3,324
*Surplus	10,409,905	5,098

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$5,738,074	\$2,810
Maintenance of Equipment	8,341,419	4,065
Traffic Expenses	699,828	343
Transportation Expenses	12,106,420	5,929
Miscellaneous Operation and General Expenses	946,074	463

Ratio of Operating Expenses to Operating Revenues 64.7 per cent.

\*This Surplus before deducting \$1,534,095 Surplus appropriated for investment in Physical Property. †After deducting \$415,245 Transportation for Investment—Cr.  
 Other Income above includes \$1,100,804 Credit Balance from Hire of Freight Cars and \$88,944 from Rent of Other Equipment.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	31.3%	30.6%	30.5%	30.4%	29.8%	26.8%
For Traffic and Other						
Operating Expenses	30.5%	33.8%	32.3%	32.1%	32.5%	31.3%
For Fixed Charges	15.1%	13.5%	12.8%	14.7%	16.7%	16.9%
For Surplus	23.1%	22.1%	24.4%	22.8%	21.0%	25.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12	1910-11	1911-12
Ton miles per mile of road	4,367,663	4,497,010	4,378,016	3,994,718		
Passenger miles per miles of road	107,410	112,851	108,756	100,840		
Miles, second and additional main track		528	494	448		421
Miles, yards and sidings		1.274	1.229	1.151		1.100

See Notes, Page 367.

**RICHMOND, FREDERICKSBURG & POTOMAC R. R.**

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1903-4	85	\$1,522,332	\$400,528	1908-9	83	\$2,026,324	\$538,475
1904-5	85	1,593,189	441,225	1909-10	83	2,331,548	742,881
1905-6	83	1,764,856	521,310	1910-11	83	2,386,616	710,578
1906-7	83	1,981,806	525,166	1911-12	83	2,575,535	668,812
1907-8	83	2,003,114	404,366	1912-13	88	2,968,612	807,996

**\*STOCK OUTSTANDING**

**BONDS OUTSTANDING**

June 30, 1915.		June 30, 1915.	
Common	\$1,316,900	Fixed Interest	\$3,180,000
Dividend Obligations	1,794,300		
Guaranteed Stock	500,400		

\*All classes of stock receive 9% annually in Dividends (see Notes).

**CAPITALIZATION**

	Total	Per Mile
Stock	\$3,611,600	\$41,040
Bonds	3,180,000	36,136
Total	6,791,600	77,176

Fixed Charges below include \$85,789 for Rentals and \$267,234 for Hire of Equipment.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

	Total	Per Mile
Average miles operated, 88.		
Operating Revenues	\$2,907,830	\$33,043
Operating Expenses	1,852,763	21,054
Net Operating Revenues	1,055,066	11,989
Other Income	175,435	1,993
Gross Corporate Income	1,230,501	13,982
Fixed Charges (including for Taxes, \$87,847)	538,433	6,800
*Surplus	632,068	7,182

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$259,105	\$2,944
Maintenance of Equipment	370,904	4,215
Traffic Expenses	43,440	494
Transportation Expenses	1,038,833	11,905
Miscellaneous Operations and General Expenses	140,481	1,596

\*This Surplus before deducting \$201,918 for Additions and Betterments.

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	20.4%	22.0%	21.7%	24.7%	23.8%	25.8%
For Traffic, Transportation and General Expenses	39.7%	41.2%	38.9%	40.0%	38.1%	34.9%
For Fixed Charges	19.4%	15.0%	12.4%	9.8%	8.4%	7.6%
For Surplus	20.5%	21.8%	27.0%	25.5%	29.7%	31.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,852,164	1,938,734	1,910,599	1,707,586
Passenger miles per mile of road	464,505	508,426	500,042	481,287
Miles, second and additional main track	79	79	80	80
Miles, yards and sidings	75	75	71	59

See Notes, Page 371.



## SEABOARD AIR LINE RY.

Year	Avg. Miles		*Gross	Surplus	Year	Avg. Miles		*Gross	Surplus
	Oper.					Oper.			
1908-4	2,611	\$12,750,271	\$382,825	1909-10	2,997	\$20,068,772	\$1,785,085		
1904-5	2,611	13,619,274	1,171,908	1910-11	3,037	21,782,005	1,797,965		
1905-6	2,611	15,116,948	1,181,578	1911-12	3,059	22,921,904	813,786		
1906-7	2,611	16,427,943	1,304,190	1912-13	3,074	24,527,865	1,785,854		
1907-8	2,611	15,675,449	1,685,874	1913-14	3,084	25,291,758	1,674,216		
1908-9	2,609	16,451,677	488,187	1914-15	3,106	21,280,463	341,652		

\*Does not include earnings of Water Lines. †Includes Atlanta & Birmingham Air Line Ry. (237 miles) and other lines merged at time of reorganization (see Notes). ‡Deficit.

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$37,019,400	*Fixed Interest	\$98,840,000
Preferred (4%)	23,894,100	Equipment	6,902,000
		Notes due 1916 (5%)	6,000,000

\*Includes \$25,000,000 Adjustment Mortgage 5% bonds (interest cumulative, payable if earned); does not include \$5,946,000 bonds in Treasury and \$42,474,000 bonds pledged as Collateral.

## CAPITALIZATION

	Total	Per Mile
Stock	\$60,913,500	\$19,612
Bonds	11,742,000	35,976
Total	172,655,500	55,588

†Fixed Charges below include \$182,005 for Rentals and \$1,250,000 Interest (5%) on \$25,000,000 Adjustment Mortgage Income Bonds.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 3,106.		
Operating Revenues	\$21,280,463	\$6,851
Operating Expenses	14,922,534	4,804
Net Operating Revenues	6,357,929	2,047
Other Income (incl. \$85,617 Hire of Equipment)	433,844	140
Gross Corporate Income	6,791,773	2,187
Fixed Charges (including for Taxes, \$1,062,247)	6,450,141	2,077
*Surplus	341,632	110

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,414,866	\$777
Maintenance of Equipment	3,175,642	1,023
Traffic Expenses	764,298	245
Transportation Expenses	7,790,647	2,508
Miscellaneous Operations and General Expenses	777,081	250

Ratio of Operating Expenses to Operating Revenues 70.1 per cent.

\*This Surplus before deducting \$308,058 Annual Allotment of Discount on Securities (total unextinguished discount on June 30, 1915, \$10,062,085; credit to Profit and Loss Account was \$7,063,271).

Other Income above includes \$161,009 from Rentals.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	25.7%	25.4%	25.7%	28.4%	26.1%	27.2%
For Traffic and Other Operating Expenses	43.0%	42.3%	41.9%	42.2%	39.9%	37.9%
For Fixed Charges	29.7%	25.8%	25.4%	25.9%	26.2%	26.3%
For Surplus	1.6%	6.5%	7.0%	3.5%	7.8%	8.6%

100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	432,206	510,668	500,539	454,771
Passenger miles per mile of road	68,205	80,309	77,247	75,590
Miles, second and additional main track	22	13	..	..
Miles, yards and sidings	867	858	818	777

See Notes, Page 372.

SOUTHERN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1901-2	6,744	\$37,712,248	\$3,600,897	1908-9	7,170	\$52,188,107	\$3,589,285
1902-3	7,129	42,354,080	3,707,477	1909-10	7,060	57,294,508	5,767,019
1903-4	7,164	45,109,777	4,180,399	1910-11	7,042	60,345,063	6,670,002
1904-5	7,190	48,145,108	5,151,632	1911-12	7,088	63,590,329	6,763,117
1905-6	7,374	53,641,439	5,229,066	1912-13	7,036	68,529,490	7,078,626
1906-7	7,547	56,657,994	2,290,321	1913-14	7,033	69,533,697	4,839,706
1907-8	7,489	52,941,716	401,850	1914-15	*7,031	62,199,510	1,656,682

\*Includes 492 miles trackage.

STOCK OUTSTANDING

June 30, 1915	
Common	\$120,000,000
Preferred (5%)	60,000,000

\*BONDS OUTSTANDING

June 30, 1915	
Fixed Interest	\$217,494,700
Equipment	15,191,000
†Notes	15,000,000

\*Does not include \$33,099,000 outstanding bonds and stock of Leasehold Estates. Includes \$5,650,200 Southern Ry.-Mobile & Ohio Stock Trust Certificates. †\$5,000,000 matured February 1, 1916, and were paid off; \$10,000,000 due March 2, 1917.

CAPITALIZATION

	Total	Per Mile
Stock	\$180,000,000	\$25,601
Bonds	247,685,700	35,228
Total	427,685,700	60,829

Fixed Charges below include \$1,046,522 Joint Facility Rents, \$1,621,041 for Rent of Leased Roads (representing for most part interest and dividends on securities of Leasehold Estates), \$337,616 Hire of Equipment—Dr., \$183,609 Separately Operated Properties and \$226,008 Dividends accrued on Southern Ry.-Mobile & Ohio Stock Trust Certificates.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 7,031.		Total	Per Mile
Operating Revenues		\$62,139,510	\$8,846
Operating Expenses		46,174,711	6,567
Net Operating Revenues		16,024,799	2,279
Other Income (including \$498,088 from Rentals)		3,233,918	461
Gross Corporate Income		19,263,717	2,740
Fixed Charges (including for Taxes, \$2,595,828)		17,607,035	2,504
*Surplus		1,656,682	236

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$8,452,119	\$1,202
Maintenance of Equipment	10,691,267	1,521
Traffic Expenses	2,110,467	300
Transportation Expenses	†22,513,908	3,202
Miscellaneous Operations and General Expenses	2,407,850	342

Ratio of Operating Expenses to Operating Revenues, 74.2 per cent.

\*This Surplus before deducting \$7,133 for Additions and Betterments. †After deducting \$244,590 Transportation for Investment—Cr.

Other Income above includes \$1,080,244 Dividend Income and \$1,576.30 Income from Bonded and Unfunded Securities and Accounts.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	29.3%	29.0%	28.6%	26.7%	26.6%	27.3%
For Traffic and Other Operating Expenses	41.3%	40.5%	38.5%	38.3%	37.7%	36.6%
For Fixed Charges	26.9%	23.9%	23.1%	24.9%	25.2%	26.6%
For Surplus	2.5%	6.6%	9.8%	10.1%	10.5%	9.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	598,178	657,833	650,581	593,509
Passenger miles per mile of road	107,936	126,306	120,068	110,979
Miles, second and additional main track	434	403	385	372
Miles, yards and sidings	...	2,341	2,298	2,283

See Notes, Page 378.

## VIRGINIA &amp; SOUTHWESTERN RY.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1907-8	170		\$1,062,500	\$137,458	1911-12	240		\$1,757,924	\$264,951
1908-9	188		1,136,236	133,962	1912-13	240		1,806,627	314,539
1909-10	188		1,196,164	114,613	1913-14	240		1,939,104	269,399
1910-11	227		1,393,448	109,288	1914-15	*240		1,799,301	106,630

\*Includes 37 miles of trackage.

## STOCK OUTSTANDING

June 30, 1915.	
Common	\$2,000,000

## BONDS OUTSTANDING

June 30, 1915.	
Fixed Interest	\$7,000,000
Equipment	1,084,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$2,000,000	\$8.333
Bonds	8,084,000	33.683
Total	10,084,000	42.016
Fixed Charges below include \$46,864 for Rentals.		

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 240.		
Operating Revenues	\$1,799,301	\$7.497
Operating Expenses	1,338,706	5.578
Net Operating Revenues	460,595	1.919
Other Income (including \$172,538 Hire of Equipment)	179,623	7.48
Gross Corporate Income	640,218	2.667
Fixed Charges (including for Taxes, \$80,815)	533,588	2.228
*Surplus	106,630	4.44

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$316,828	\$1.318
Maintenance of Equipment	422,070	1.759
Traffic Expenses	27,496	.114
Transportation Expenses	527,321	2.197
General Expenses	45,461	.190

Ratio of Operating Expenses to Operating Revenues 74.4 per cent.

\*This Surplus before deducting \$70 for Additions and Betterments.

Other Income above includes \$4,965 from Rentals.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	37.3%	34.6%	33.5%	30.6%	31.5%	34.1%
For Traffic and Other Operating Expenses	30.3%	29.4%	27.4%	30.2%	32.3%	32.0%
For Fixed Charges	27.0%	23.4%	23.8%	25.0%	28.8%	25.0%
For Surplus	5.4%	12.6%	15.3%	14.2%	7.4%	8.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	824,299	834,833	778,256	766,213
Passenger miles per mile of road	23,865	27,693	25,850	23,522
Miles, yards and sidings	111	109	107	102

See Notes, Page 387.

OF RAILROADS

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VIRGINIAN RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1909-10	448	\$2,063,190	\$1,681,467	1912-13	491	\$5,842,584	\$1,018,485
1910-11	475	3,671,224	1,113,355	1913-14	503	6,340,079	1,280,953
1911-12	475	4,837,598	748,401	1914-15	504	5,820,406	737,921

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$31,271,500	Fixed Interest	\$27,000,000
*Preferred (6%)	27,955,000	Equipment	1,312,000

\*Cumulative. See Notes regarding issue of this Stock and cancellation of Bonds and Floating Debt.

CAPITALIZATION

	Total	Per Mile
Stock	\$59,226,500	\$117,513
Bonds	28,312,000	56,175
Total	87,538,500	173,688

Fixed Charges below include \$238,244 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 504.		
Operating Revenues	\$5,820,406	\$11,548
Operating Expenses	3,376,851	6,700
Net Operating Revenues	2,443,555	4,848
Other Income (including \$24,127 Hire of Equipment)	213,490	424
Gross Corporate Income	2,657,045	5,272
Fixed Charges (including for Taxes, \$253,336)	1,919,064	3,808
Surplus	737,921	1,464

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$753,734	\$1,495
Maintenance of Equipment	1,017,547	2,019
Traffic Expenses	65,103	129
Transportation Expenses	*1,271,221	2,522
Miscellaneous Operations and General Expenses	269,346	535

Ratio of Operating Expenses to Operating Revenues 58.0 per cent.  
 \*After deducting \$33,393 Transportation for Investment—Cr.  
 Other Income above includes \$3,915 from Rentals.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	24.4%	27.7%	29.6%	30.5%	28.3%
For Traffic and Other Operating Expenses	26.6%	25.2%	24.9%	29.7%	29.5%
For Fixed Charges	31.8%	28.2%	*29.1%	55.0%	71.7%
For Surplus	12.2%	18.9%	16.4%	Deficit	Deficit

100.0% 100.0% 100.0%  
 \*Decrease in Ratio due to readjustment of Fixed Charges.

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	3,934,450	3,368,816	3,174,355	2,666,898
Passenger miles per mile of road	30,976	30,133	27,480	25,669
Miles, second and additional main track	6	5	1	...
Miles, yards and sidings	232	216	212	182

See Notes, Page 388.

## WESTERN MARYLAND RY.

Avg. Miles			Avg. Miles			
Year	Oper.	Gross	Year	Oper.	Gross	Surplus
1905-6	507	\$4,802,094	1910-11	543	\$7,200,934	\$760,886
1906-7	543	5,600,455	1911-12	543	7,243,063	647,271
1907-8	543	5,648,277	1912-13	548	7,632,679	1414,972
1908-9	543	5,952,696	1913-14	*661	8,267,736	*2,715,685
1909-10	543	7,081,857	1914-15	661	8,683,459	*967,905

\*Includes Cumberland-Connellsville Extension. †Deficit.

## STOCK OUTSTANDING

June 30, 1915.

Common	\$49,429,198
Preferred (4%)	10,028,000

## BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	\$50,325,700
Equipment	452,705

\*Matured July, 1915, \$10,000,000 5% and \$3,000,000 6% (see Notes).

Loans and Bills Payable, June 30, 1915, \$3,785,000; Profit and Loss Debit \$3,148,064. On that date \$13,292,488 was carried among the Assets of the Company representing Unextinguished Discount on Securities.

## CAPITALIZATION

	Total	Per Mile
Stock	\$59,457,198	\$89,950
Bonds	63,778,405	96,488
Total	123,235,613	186,438

Fixed Charges below include \$204,392 for Rentals, \$144,363 for Hire of Equipment and \$930 Loss from Outside Operations.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 661		
Operating Revenues	\$8,683,459	\$13,187
Operating Expenses	6,257,412	9,467
Net Operating Revenues	2,426,047	3,670
Other Income (including \$39,249 from Rentals)	268,866	407
Gross Corporate Income	2,694,913	4,077
Fixed Charges (including for Taxes, \$306,000)	3,602,818	5,451
Deficit	907,905	1,374

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,204,048	\$1,822
Maintenance of Equipment	1,479,331	2,238
Traffic Expenses	260,136	394
Transportation Expenses	*3,046,788	4,600
Miscellaneous Operations and General Expenses	267,109	404

Ratio of Operating Expenses to Operating Revenues 72.1 per cent.

\*After deducting \$9,290 Transportation for Investment—Cr.

Other Income above includes \$192,421 Net Income from Coal Companies and Miscellaneous Properties.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	30.0%	40.9%	27.4%	23.5%	22.0%	21.3%
For Traffic and Other Operating Expenses	39.9%	51.5%	41.4%	36.3%	35.1%	32.0%
For Fixed Charges	40.2%	39.6%	35.9%	32.3%	33.1%	34.0%
For Surplus		Deficit	Deficit	Deficit	7.9%	12.8%
					100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	2,114,277	1,877,527	1,994,672	1,854,018
Passenger miles per mile of road	74,133	82,361	101,660	98,040
Miles, second and additional main track	71	71	45	45
Miles, yards and sidings	325	332	266	253

See Notes, Page 389.

WRIGHTSVILLE & TENNILLE R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1899-0	76	\$169,492	\$48,729	1907-8	*105	\$270,977	\$46,722
1900-1	77	159,867	56,294	1908-9	*105	260,881	47,993
1901-2	77	143,496	41,709	1909-10	*105	301,178	38,838
1902-3	77	169,414	61,661	1910-11	*105	327,112	67,506
1903-4	77	167,587	41,489	1911-12	*105	348,993	53,467
1904-5	77	186,225	67,400	1912-13	*104	306,583	20,172
1905-6	77	199,521	64,727	1913-14	*104	352,119	75,058
1906-7	*105	274,720	48,125	1914-15	*104	271,368	17,417

\*Includes Dublin & Southwestern R. R. (28 miles), merged during 1906-7.

STOCK OUTSTANDING

BONDS OUTSTANDING

Common	June 30, 1915	\$530,000	Fixed Interest	June 30, 1915	\$200,000
*Preferred (6%)		70,000			

\*Shares pro rata with the Common Stock in Dividends paid beyond 6%.

CAPITALIZATION

	Total	Per Mile
Stock	\$600,000	\$5,769
Bonds	200,000	1,923
Total	800,000	7,692

Fixed Charges below include \$52 Rentals and \$9,445 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 104.		
Operating Revenues	\$271,368	\$2,609
Operating Expenses	220,964	2,125
Net Operating Revenues	50,414	484
Other Income (including \$1,261 from Rentals)	3,188	31
Gross Corporate Income	53,602	515
Fixed Charges (including for Taxes, \$16,581)	36,185	348
Surplus	17,417	167

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$48,356	\$465
Maintenance of Equipment	46,176	444
Traffic Expenses	7,266	70
Transportation Expenses	97,368	936
General Expenses	21,788	210

Ratio of Operating Expenses to Operating Revenues 81.4 per cent.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	34.4%	27.1%	35.4%	32.7%	29.2%	25.1%
For Traffic and Other Operating Expenses	46.1%	38.7%	45.6%	39.6%	39.7%	38.7%
For Fixed Charges	13.2%	11.7%	12.5%	12.5%	10.6%	8.4%
For Surplus	6.3%	22.5%	6.5%	15.2%	20.5%	27.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	51,132	71,034	62,263	65,728
Passenger miles per mile of road	29,277	42,539	37,196	41,128
Miles, yards and sidings	17	17	17	15

See Notes, Page 392.

## ALABAMA &amp; VICKSBURG RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1903-4	143	\$1,287,093	\$194,319	1909-10	143	\$1,672,350	\$442,028
1904-5	143	1,358,048	190,037	1910-11	143	1,741,983	366,257
1905-6	143	1,380,247	207,942	1911-12	143	1,605,190	258,029
1906-7	143	1,554,961	253,920	1912-13	143	1,861,937	355,055
1907-8	143	1,510,761	230,601	1913-14	143	1,830,544	199,318
1908-9	143	1,526,357	239,096	1914-15	143	1,493,067	236,210

STOCK OUTSTANDING  
June 30, 1915.

\*Common .....\$2,100,000

BONDS OUTSTANDING  
June 30, 1915.

Fixed Interest .....\$2,007,800

\*Increased from \$1,050,000 in June, 1910, new Stock having been distributed as a Dividend of 100% pro rata to Stockholders, to cover the cost of Additions and Improvements to property paid for out of Income for the ten years preceding. The Additions and Betterments thus capitalized cost \$1,115,492.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$2,100,000	\$14.685
Bonds .....	2,007,800	14.041
Total .....	4,107,800	28.726

Fixed Charges below include \$13,344 for Rentals.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 143.		
Operating Revenues .....	\$1,493,067	\$10.441
Operating Expenses .....	1,314,148	9.190
Net Operating Revenues .....	178,919	1.251
Other Income (including \$50,913 Hire of Equipment) .....	277,971	1.944
Gross Corporate Income .....	456,890	3.195
Fixed Charges (including for Taxes, \$95,241) .....	230,680	1.543
Surplus .....	226,210	1.602

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$225,405	\$1.576
Maintenance of Equipment .....	376,680	2.634
Traffic Expenses .....	44,630	3.13
Transportation Expenses .....	*570,082	3.957
Miscellaneous Operations and General Expenses.....	97,271	686

Ratio of Operating Expenses to Operating Revenues 88.0 per cent.

\*After deducting \$862 Transportation for Investment—Cr.

Other Income above includes \$30,288 from Rentals and \$174,099 Dividend Income (\$3,892 in 1913-14). It was not stated in the 1914-15 report from what source the Dividend Income was derived.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	34.0%	36.5%	33.2%	33.2%	30.7%	29.1%
For Traffic and Other Operating Expenses .....	40.2%	41.2%	38.2%	40.3%	39.2%	35.9%
For Fixed Charges .....	12.5%	11.8%	10.5%	11.2%	9.8%	9.8%
For Surplus .....	13.3%	10.5%	18.1%	15.3%	20.2%	25.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
Ton miles per mile of road.....	730,216	868,262	890,072	890,072	706,553	706,553
Passenger miles per mile of road.....	111,914	138,469	135,413	135,413	121,944	121,944
Miles, yards and sidings .....	56	54	52	52	51	51

See Notes, Page 393.

ALABAMA GREAT SOUTHERN R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1901-2	310	\$2,487,454	\$405,833	1908-9	310	\$3,560,292	\$550,254
1902-3	310	2,749,818	381,180	1909-10	309	4,221,006	928,572
1903-4	310	3,069,445	320,612	1910-11	309	4,479,120	955,039
1904-5	310	3,308,300	324,984	1911-12	309	4,776,891	1,012,536
1905-6	310	3,774,620	398,464	1912-13	309	5,231,985	1,134,620
1906-7	310	4,168,478	413,677	1913-14	309	5,385,307	757,187
1907-8	310	3,551,501	413,037	1914-15	*309	4,776,630	626,174

\*Includes 19 miles trackage.

STOCK OUTSTANDING

June 30, 1915.

Common	\$7,830,000
Preferred (6%)	3,380,350

BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	\$8,185,600
Equipment	608,104

CAPITALIZATION

	Total	Per Mile
Stock	\$11,210,350	\$36,279
Bonds	8,788,704	28,448
Total	19,999,054	64,727

Fixed Charges below include \$100,677 for Rentals and \$116,354 for Miscellaneous Deductions.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 309.		
Operating Revenues	\$4,776,630	\$15,458
Operating Expenses	3,653,734	11,824
Net Operating Revenues	1,122,896	3,624
Other Income (including \$112,699 Hire of Equip't—Cr.)	239,488	775
Gross Corporate Income	1,862,864	4,409
Fixed Charges (including for Taxes, \$177,930)	786,190	2,332
Surplus	626,174	2,027

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$553,629	\$1,782
Maintenance of Equipment	1,149,707	3,721
Traffic Expenses	156,042	506
Transportation Expenses	*1,049,931	5,339
Miscellaneous Operations and General Expenses	144,425	467

Ratio of Operating Expenses to Operating Revenues 80.2 per cent.

\*After deducting \$44,727 Transportation for Investment—Cr.

Other Income above includes \$22,661 Miscellaneous Rents and Interest and \$112,699 Income from Investments.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	34.0%	36.4%	31.6%	31.4%	32.4%	31.3%
For Traffic and Other Operating Expenses	38.8%	37.0%	35.2%	34.1%	32.9%	32.7%
For Fixed Charges	14.7%	13.5%	13.4%	14.9%	15.5%	15.5%
For Surplus	12.5%	13.1%	19.8%	19.6%	19.2%	20.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,786,851	1,860,994	1,742,724	1,583,729
Passenger miles per mile of road	152,162	196,216	197,029	178,563
Miles, second and additional main track	23			
Miles, yards and sidings	*195	190	185	172

\*59 miles operated under lease or trackage rights.

See Notes, Page 395.



## CINCINNATI, NEW ORLEANS &amp; TEXAS PACIFIC RY.

(Lessee of Cincinnati Southern Ry.)

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1901-2	336	\$5,660,404	\$209,134	1908-9	335	\$7,826,982	\$1,194,999
1902-3	336	6,155,455	463,185	1909-10	335	9,079,471	2,197,623
1903-4	336	6,768,744	464,549	1910-11	335	9,205,406	1,906,371
1904-5	336	7,358,618	523,440	1911-12	335	9,756,266	1,947,166
1905-6	336	8,454,896	823,590	1912-13	335	10,445,169	2,252,553
1906-7	336	8,763,775	449,645	1913-14	335	10,872,690	1,914,343
1907-8	335	7,861,378	607,510	1914-15	335	9,422,251	1,265,654

## STOCK OUTSTANDING

June 30, 1915.

Common .....\$3,000,000

\*Preferred (5%) ..... 2,453,400

\*Cumulative.

## BONDS OUTSTANDING

June 30, 1915.

Equipment ..... \$792,000

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$5,453,400	\$16,279
Bonds .....	792,000	2,364
Total .....	6,245,400	18,643

Fixed Charges below include \$1,281,464 for Rent to the City of Cincinnati.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 335.		
Operating Revenues .....	\$9,422,251	\$28,126
Operating Expenses .....	6,807,448	20,321
Net Operating Revenues .....	2,614,803	7,805
Other Income (including \$249,372 Hire of Equipment) .....	368,403	1,094
Gross Corporate Income .....	2,983,206	8,899
Fixed Charges (including for Taxes, \$372,109) .....	1,715,552	5,121
*Surplus .....	1,265,654	3,778

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$926,001	\$2,764
Maintenance of Equipment .....	2,308,581	6,891
Traffic Expenses .....	286,201	855
Transportation Expenses .....	†2,971,043	8,869
Miscellaneous Operations and General Expenses .....	315,622	942

Ratio of Operating Expenses to Operating Revenues 72.2 per cent.  
 \*This Surplus before deducting \$799,942 for Permanent Improvements, Additions and Betterments which revert to Lessor under Lease. Similar deductions were made in previous years (aggregating approximately \$6,731,175 for the ten fiscal years to June 30, 1914). †After deducting \$4,617 Transportation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	33.1%	34.0%	31.7%	31.5%	30.3%	27.5%
For Traffic and Other Operating Expenses .....	36.5%	33.9%	32.3%	32.9%	33.1%	31.5%
For Fixed Charges .....	17.5%	15.2%	15.5%	16.3%	16.8%	17.5%
For Surplus .....	12.9%	16.9%	20.5%	19.3%	19.8%	23.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road .....	2,938,915	3,291,111	3,200,102	2,975,874
Passenger miles per mile of road .....	247,391	289,210	258,566	247,117
Miles, second and additional main track .....	125	119	91	75
Miles, yards and sidings .....	256	261	283	241

See Notes, Page 395.

GULF & SHIP ISLAND R. R.

Avg. Miles			Avg. Miles			
Year	Oper.	Gross	Year	Oper.	Gross	Surplus
1900-1	248	\$1,080,849	1908-9	307	\$1,873,196	\$4,658
1901-2	251	1,374,684	1909-10	307	2,094,076	291,829
1902-3	251	1,705,047	1910-11	307	2,006,790	288,967
1903-4	261	1,829,815	1911-12	308	1,982,740	204,870
1904-5	275	1,877,397	1912-13	308	2,114,620	+400,391
1905-6	284	2,138,778	1913-14	308	1,995,766	+269,400
1906-7	307	2,485,949	1914-15	308	1,633,006	+206,476
1907-8	307	2,066,328				*7,768

\*Deficit. †Surplus before deducting payments account Sinking and Other Reserve Funds. Surplus for previous years as stated above is after making similar deductions.

STOCK OUTSTANDING

BONDS OUTSTANDING

Common	June 30, 1915	\$7,000,000	*Fixed Interest	June 30, 1915	\$5,400,000
*Includes \$400,000 6% Bonds, maturing \$200,000 each year (April).					

CAPITALIZATION

	Total	Per Mile
Stock	\$7,000,000	\$22,727
Bonds	5,400,000	17,533
Total	12,400,000	40,260

Fixed Charges below include \$3,563 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 308.		
Operating Revenues	\$1,633,006	\$5,302
Operating Expenses	1,111,002	3,607
Net Operating Revenues	522,004	1,695
Other Income (including \$9,122 from Rentals)	31,488	102
Gross Corporate Income	553,492	1,797
Fixed Charges (including for Taxes, \$92,057)	347,016	1,127
*Surplus	206,476	670

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$208,821	\$673
Maintenance of Equipment	350,361	1,138
Traffic Expenses	30,010	97
Transportation Expenses	435,165	1,413
Miscellaneous Operations and General Expenses	86,645	281

Ratio of Operating Expenses to Operating Revenues 68.0 per cent.  
 \*This Surplus before deducting \$85,426 applied to Sinking and Other Reserve Funds (\$80,994, 1913-14; \$76,849, 1912-13).  
 Other Income above includes \$16,931 Hire of Equipment—Cr.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	33.6%	33.4%	31.0%	31.5%	30.7%	32.4%
For Traffic and Other Operating Expenses	33.2%	35.0%	33.0%	36.6%	34.3%	33.3%
For Fixed Charges	20.8%	18.2%	17.3%	21.7%	20.7%	20.5%
For Surplus	12.4%	13.4%	18.7%	10.2%	14.3%	13.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	250,912	279,207	286,577	278,732
Passenger miles per mile of road	36,919	46,456	47,300	50,673
Miles, yards and sidings	98	98	98	94

See Notes, Page 397.

## LOUISIANA &amp; ARKANSAS RY.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1902-3	127		\$582,534	\$108,643	1909-10	240		\$1,922,761	237,350
1903-4	148		704,671	115,457	1910-11	255		1,432,638	267,326
1904-5	167		844,535	201,522	1911-12	255		1,495,111	217,409
1905-6	187		1,057,526	238,759	1912-13	255		1,673,459	279,299
1906-7	226		1,216,837	225,494	1913-14	275		1,700,208	199,476
1907-8	226		1,144,522	194,549	1914-15	279		1,679,951	193,240
1908-9	226		1,186,401	204,640					

## STOCK OUTSTANDING

June 30, 1915.

Common ..... \$5,000,000

## BONDS OUTSTANDING

June 30, 1915.

Fixed Interest ..... \$5,380,000

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$5,000,000	\$17,921
Bonds .....	5,380,000	19,283
<b>Total</b> .....	<b>10,380,000</b>	<b>37,204</b>

Fixed Charges below include \$27,258 for Rentals and \$31,869 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 279.		
Operating Revenues .....	\$1,679,951	\$6,021
Operating Expenses .....	1,113,721	3,992
Net Operating Revenues .....	566,230	2,029
Other Income (including \$29,270 from Rentals).....	43,726	157
Gross Corporate Income .....	609,956	2,186
Fixed Charges (including for Taxes, \$82,400).....	416,716	1,488
*Surplus .....	193,240	693

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$301,887	\$1,082
Maintenance of Equipment .....	281,988	1,011
Traffic Expenses .....	24,209	82
Transportation Expenses .....	446,081	1,599
General Expenses .....	49,556	178

Ratio of Operating Expenses to Operating Revenues 66.3 per cent.

\*Profit and Loss Account was charged in 1914-15; the sum of \$82,832 Reserve set aside for Sinking Fund. †After deducting \$441 Transportation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	33.9%	34.5%	30.6%	30.7%	28.6%	28.1%
For Traffic and Other Operating Expenses .....	30.7%	30.7%	31.1%	32.0%	30.5%	28.5%
For Fixed Charges .....	24.2%	22.8%	22.0%	23.1%	23.5%	22.6%
For Surplus .....	11.2%	11.5%	16.3%	14.2%	17.4%	20.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road .....	494,890	393,802	451,028	402,176
Passenger miles per mile of road.....	27,265	36,962	35,559	31,586
Miles, yards and sidings .....				63

See Notes, Page 398.

LOUISIANA RAILWAY & NAVIGATION CO.

Year	Avg. Miles Oper.	Gross	Deficit	Year	Avg. Miles Oper.	Gross	Deficit
1910-11	350	\$1,689,605	\$161,854	1913-14	351	\$1,971,718	\$294,888
1911-12	350	1,783,970	157,843	1914-15	351	2,023,697	296,883
1912-13	351	1,891,823	180,023				

STOCK OUTSTANDING

BONDS OUTSTANDING

	June 30, 1915.		June 30, 1915.
Common	\$8,131,000	Fixed Interest	\$10,545,000

CAPITALIZATION

	Total	Per Mile
Stock	\$8,131,000	\$23,165
Bonds	10,545,000	30,043
Total	18,676,000	53,208

Fixed Charges below include \$49,202 for Rentals and \$159,550 for Hire of Equipment.

For the six months, July 1 to December 31, 1915, Operating Revenues were \$1,204,233 and Net Operating Revenues were \$412,250, as compared with \$999,496 Operating Revenues and \$227,106 Net Operating Revenues for a similar period during 1914.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 351.		
Operating Revenues	\$2,023,697	\$5,765
Operating Expenses	1,535,729	4,375
Net Operating Revenues	487,968	1,390
Other Income	13,288	38
Gross Corporate Income	501,256	1,428
Fixed Charges (including for Taxes, \$111,654)	798,139	2,274
Deficit	296,883	846

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$377,391	\$1,075
Maintenance of Equipment	223,529	637
Traffic Expenses	68,779	196
Transportation Expenses	802,469	2,286
General Expenses	63,561	181
Ratio of Operating Expenses to Operating Revenues	75.9 per cent.	

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses	29.5%	30.2%	28.8%	24.7%
For Traffic, Transportation and General Expenses	45.9%	47.7%	46.4%	46.4%
For Fixed Charges	39.2%	37.0%	36.1%	37.4%
For Surplus	Deficit	Deficit	Deficit	Deficit

	1914-15	1913-14	1912-13
Ton miles per mile of road			356,292
Passenger miles per mile of road			30,463
Miles, yards and sidings	91	91	88

See Notes, Page 399.

## LOUISVILLE &amp; NASHVILLE R. R.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1903-4	3,618	\$36,943,798	\$6,688,171	1906-10	4,564	\$52,493,332	\$10,412,256
1904-5	3,826	38,517,071	6,827,040	1910-11	4,598	53,993,741	8,555,933
1905-6	4,131	43,008,396	6,348,375	1911-12	4,710	56,211,788	9,580,772
1906-7	4,306	48,263,946	6,450,522	1912-13	4,820	59,465,689	8,380,236
1907-8	4,348	44,620,281	4,514,925	1913-14	4,937	59,682,778	6,678,887
1908-9	4,393	45,426,891	8,587,935	1914-15	5,037	51,606,015	4,860,142

## STOCK OUTSTANDING

June 30, 1915.

Common .....\$72,000,000

## BONDS OUTSTANDING

June 30, 1915.

\*Fixed Interest .....\$169,031,000

Equipment ..... 5,200,000

\*Does not include \$14,018,340 Company's Bonds in Treasury, \$4,429,000 owned and pledged and \$1,092,000 Bonds held in Sinking Funds; includes one-half L. & W.-So. Ky. Monon. Collateral Joint 4s.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$72,000,000	\$14,294
Bonds .....	174,231,000	34,590
Total .....	246,231,000	48,884

Fixed Charges below include \$301,848 for Rentals, \$77,415 for Hire of Equipment and \$146,484 Sinking Fund Payments.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 5,037.		
Operating Revenues .....	\$51,606,015	\$10,245
Operating Expenses .....	39,431,789	7,828
Net Operating Revenues .....	12,174,226	2,417
Other Income (including \$531,178 from Rentals).....	3,429,596	681
Gross Corporate Income .....	15,603,822	3,098
Fixed Charges (including for Taxes, \$2,136,713).....	10,743,680	2,138
Surplus .....	4,860,142	965

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$3,993,389	\$1,785
Maintenance of Equipment.....	10,310,563	2,047
Traffic Expenses .....	1,349,705	268
Transportation Expenses .....	*17,315,954	3,438
Miscellaneous Operations and General Expenses.....	1,462,178	290

Ratio of Operating Expenses to Operating Revenues 76.4 per cent.

\*After deducting \$133,857 Transportation for Investment—Cr.

Other Income above includes \$872,218 from Hire of Equipment, \$673,444 Dividend Income, \$129,909 Profit Separately Operated Properties, and \$678,093 Income from Unfunded Securities and Accounts.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses ..	35.1%	34.5%	35.5%	32.2%	33.3%	30.8%
For Traffic and Other Operating Expenses .....	36.6%	37.1%	36.0%	35.4%	35.4%	33.6%
For Fixed Charges .....	19.5%	17.7%	15.1%	16.1%	16.0%	16.4%
For Surplus .....	8.8%	10.7%	13.4%	16.3%	15.3%	19.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12	1910-11	1911-12
Ton miles per mile of road.....	1,021,335	1,116,491	1,143,866	1,098,169		
Passenger miles per mile of road....	99,242	116,964	113,833	113,052		
Miles, second and additional main track .....						118
Miles, yards and sidings .....						1,158

See Notes, Page 399.

LOUISVILLE, HENDERSON & ST. LOUIS RY.

Avg. Miles			Year			Avg. Miles		
1-2	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus	
1-2	186	\$696,664	\$54,294	1908-9	200	\$1,023,737	\$37,810	
3-3	188	808,548	104,194	1909-10	200	1,176,869	93,300	
3-4	188	895,970	126,898	1910-11	200	1,214,693	16,766	
4-5	188	928,687	106,229	1911-12	200	1,279,469	33,309	
5-6	200	951,859	99,926	1912-13	200	1,231,483	*73,620	
6-7	200	1,061,378	103,252	1913-14	200	1,371,798	81,775	
7-8	200	992,652	*37,384	1914-15	†200	1,397,190	31,245	

Deficit. †Includes 18 miles of trackage.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common	\$2,000,000	Fixed Interest	\$2,500,000
Preferred (5%)	2,000,000	Equipment	244,585
		Miscellaneous	110,000

Plans and Bills Payable, June 30, 1915, were \$568,703.

CAPITALIZATION

	Total	Per Mile
Stock	\$4,000,000	\$20,000
Bonds	2,855,585	14,278
Total	6,855,585	34,278

Fixed Charges below include \$40,933 for Rentals and \$57,401 for Hire Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 200.		
Operating Revenues	\$1,387,190	\$6,986
Operating Expenses	1,088,154	5,441
Net Operating Revenues	309,039	1,545
Other Income (including \$1,398 from Rentals)	6,439	32
Gross Corporate Income	315,478	1,577
Fixed Charges (including for Taxes, \$38,425)	284,233	1,421
Surplus	31,245	156

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$316,479	\$1,582
Maintenance of Equipment	198,846	969
Traffic Expenses	62,794	314
Transportation Expenses	474,534	2,373
General Expenses	40,498	203

Ratio of Operating Expenses to Operating Revenues 77.9 per cent.  
Other Income above includes \$4,775 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	38.3%	32.5%	38.1%	35.5%	36.9%	32.8%
For Traffic and Other Operating Expenses	41.2%	41.4%	45.2%	41.2%	40.8%	39.0%
For Fixed Charges	20.3%	20.2%	22.7%	20.7%	20.9%	20.3%
For Surplus	2.2%	5.9%	Deficit	2.6%	1.4%	7.9%
	100.0%	100.0%		100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Passenger miles per mile of road	562,577	478,516	468,225	
Freight miles per mile of road	98,539	86,632	91,437	
Planks, yards and sidings	43	41	41	46

See Notes, Page 402.

## MISSISSIPPI CENTRAL R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1906-7	83	\$550,201	\$103,559	1911-12	164	\$822,762	*\$68,706
1907-8	84	477,010	109,676	1912-13	164	968,536	*155,569
1908-9	164	651,957	47,015	1913-14	164	945,741	*134,117
1909-10	164	848,818	141,390	1914-15	164	771,427	*64,979
1910-11	164	852,899	143,209				

\*After Sinking Fund deducted.

## STOCK OUTSTANDING

## BONDS OUTSTANDING

Common	June 30, 1915.	\$3,940,000	*Fixed Interest	June 30, 1915.	\$4,100,000

\*Includes \$166,500 Bonds in Sinking Fund.

## CAPITALIZATION

	Total	Per Mile
Stock	\$3,940,000	\$24,024
Bonds	4,100,000	25,000
<b>Total</b>	<b>8,040,000</b>	<b>49,024</b>

Fixed Charges below include \$49,200 paid account of Sinking Funds.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 164.		
Operating Revenues	\$771,427	\$4,704
Operating Expenses	502,024	3,061
Net Operating Revenues	269,403	1,644
Other Income	78,564	478
Gross Corporate Income	347,967	2,121
Fixed Charges (including for Taxes, \$28,788)	282,988	1,726
Surplus	64,979	396

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$122,721	\$748
Maintenance of Equipment	165,106	1,007
Traffic Expenses	9,542	58
Transportation Expenses	162,081	988
General Expenses	42,574	260

Ratio of Operating Expenses to Operating Revenues 65.1 per cent.

Other Income above includes \$47,266 from Hire of Equipment and \$32,090 from Interest.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	33.9%	33.3%	29.8%	32.1%	31.6%	31.3%
For Traffic and Other Operating Expenses	25.2%	26.0%	28.1%	28.5%	27.4%	28.0%
For Fixed Charges	33.3%	27.6%	27.3%	31.9%	25.4%	24.9%
For Surplus	7.6%	13.1%	14.8%	7.5%	15.6%	15.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton-miles per mile of road	101,707	146,321	148,524	115,728
Passenger miles per mile of road	31,225	38,145	41,323	38,713
Miles, yards and sidings	25	25	25	28

See Notes, Page 402.

MOBILE & OHIO R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1901-3	874	\$6,502,489	\$541,561	1908-9	*1,114	\$9,737,726	\$437,287
1902-3	874	7,498,980	743,277	1909-10	*1,114	10,636,733	563,886
1903-4	912	7,739,706	785,238	1910-11	*1,114	11,197,347	618,949
1904-5	926	8,267,602	989,327	1911-12	*1,114	11,297,732	424,671
1905-6	926	9,445,927	1,206,818	1912-13	*1,119	12,377,656	641,079
1906-7	926	10,759,519	1,333,893	1913-14	*1,122	12,975,431	85,109
1907-8	926	9,649,212	438,920	1914-15	*1,128	20,932,449	328,668

\*Includes 189 miles trackage.

STOCK OUTSTANDING

June 30, 1915.

*Common	\$6,016,800	†Fixed Interest	\$28,890,000
		Equipment	2,901,000

\*Does not include \$1,713,200 Stock held by Company. †Does not include \$502,000 Bonds held by or for Company.  
Loans and Bills Payable, June 30, 1915, \$1,455,036.

BONDS OUTSTANDING

June 30, 1915.

CAPITALIZATION

	Total	Per Mile
Stock	\$4,016,800	\$5,283
Bonds	31,781,000	28,334
Total	\$7,807,900	33,697

Fixed Charges below include \$534,245 for Rentals, \$129,917 for Hire of Equipment, and \$203,779 Miscellaneous Deductions (not itemized).

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,122		
Operating Revenues	\$10,982,149	\$9,783
Operating Expenses	7,353,656	7,071
Net Operating Revenues	3,628,493	2,717
Other Income (including \$50,541 for Rentals)	66,946	60
Gross Corporate Income	3,115,439	2,777
Fixed Charges (including for Taxes, \$385,951)	2,786,771	2,484
*Surplus	328,668	293

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,060,127	\$945
Maintenance of Equipment	1,868,535	1,668
Traffic Expenses	490,405	410
Transportation Expenses	*4,154,208	3,711
Miscellaneous Operations and General Expenses	330,381	339

Ratio of Operating Expenses to Operating Revenues 72.2 per cent.  
\*This Surplus before deducting \$3,233 for Additions and Betterments.  
†Before deducting \$4,644 Transportation for Investment—Cr.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	28.5%	32.0%	29.6%	28.6%	28.0%	28.7%
For Traffic and Other Operating Expenses	45.8%	45.0%	42.1%	42.8%	41.0%	39.5%
For Fixed Charges	25.2%	23.3%	23.2%	24.9%	25.6%	26.7%
For Surplus	3.0%	2.7%	5.1%	3.7%	5.4%	5.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,205,946	1,424,799	1,389,898	1,266,696
Passenger miles per mile of road	49,475	61,548	58,046	58,145
Miles, yards and sidings				828

See Notes, Page 403.



## THE EARNING POWER

## NASHVILLE, CHATTANOOGA &amp; ST. LOUIS RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1905-6	1,226	\$11,120,983	\$2,246,418	1910-11	1,230	\$12,222,863	\$1,636,942
1906-7	1,230	12,988,472	2,238,588	1911-12	1,230	12,262,675	1,396,180
1907-8	1,230	10,738,253	994,637	1912-13	1,231	13,517,162	1,550,187
1908-9	1,230	11,125,114	1,186,142	1913-14	1,231	12,778,534	1,849,661
1909-10	1,230	11,637,203	1,721,956	1914-15	1,231	10,866,533	824,623

## STOCK OUTSTANDING

June 30, 1915.

\*Common ..... \$16,000,000 †Fixed Interest ..... \$10,124,900

\*Includes \$6,000,000 Stock sold at par in 1912-13; the proceeds having been used to retire 7% Bonds. †Includes \$2,900 Non-Negotiable Debt to Affiliated Companies.

## BONDS OUTSTANDING

June 30, 1915.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$16,000,000	\$12.998
Bonds .....	10,124,900	8.224
Total .....	26,124,900	21.222

Fixed Charges below include \$626,518 for Rentals of Leased Roads and \$84,963 for Other Rentals.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 1,231.	Total	Per Mile
Operating Revenues .....	\$10,936,533	\$8,884
Operating Expenses .....	9,099,622	7,392
Net Operating Revenues .....	1,836,911	1,492
Other Income (including \$270,714 Hire of Equipment) .....	530,963	431
Gross Corporate Income .....	2,367,874	1,923
Fixed Charges (including for Taxes, \$333,859) .....	1,543,251	1,253
Surplus .....	824,623	670

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$1,540,305	\$1,251
Maintenance of Equipment .....	2,166,006	1,760
Traffic Expenses .....	535,037	435
Transportation Expenses .....	*4,384,973	3,562
Miscellaneous Operations and General Expenses .....	473,301	384

Ratio of Operating Expenses to Operating Revenues 33.2 per cent.  
\*After deducting \$965 Transportation for Investment—Cr.

Other Income above includes \$163,468 from Rentals and \$5,389 Income from Miscellaneous Physical Property.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	32.3%	32.4%	32.5%	31.9%	32.3%	31.1%
For Traffic and Other Operating Expenses .....	47.0%	43.0%	42.9%	42.4%	40.4%	39.2%
For Fixed Charges .....	13.5%	10.8%	13.4%	14.7%	14.5%	15.3%
For Surplus .....	7.2%	13.8%	11.2%	11.0%	12.8%	14.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road .....	646,449	676,865	758,451	668,503
Passenger miles per mile of road .....	98,439	112,070	110,099	102,779
Miles, second and additional: main track .....	54	44	33	24
Miles, yards and sidings .....	483	482	471	468

See Notes, Page 404.

**NEW ORLEANS & NORTHEASTERN R. R.**

*Avg. Miles				*Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1901-2	196	\$2,030,282	\$193,045	1906-9	196	\$3,035,033	\$520,233
1902-3	196	2,285,036	331,330	1908-10	196	3,443,102	737,311
1903-4	196	2,416,968	322,253	1910-11	196	3,527,931	593,331
1904-5	196	2,563,776	346,323	1911-12	196	3,765,754	433,334
1905-6	196	3,001,977	470,681	1912-13	196	3,764,458	443,866
1906-7	196	3,252,148	505,849	1913-14	196	3,975,710	196,429
1907-8	196	2,865,315	393,407	1914-15	196	3,486,255	271,956

\*Does not include 8 miles trackage into New Orleans, La.

STOCK OUTSTANDING		BONDS OUTSTANDING	
June 30, 1915.		June 30, 1915.	
Common	\$6,000,000	Fixed Interest	\$7,482,000
Income Bonds (4½%)	1,500,000	Equipment	323,000

CAPITALIZATION		
	Total	Per Mile
Stock and Income Bonds	\$7,500,000	\$38,245
Bonds	7,906,000	39,822
Total	15,306,000	73,067

Fixed Charges below include \$95,335 for Rentals and \$41,033 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915		
	Total	Per Mile
Average miles operated, 196.		
Operating Revenues	\$3,486,255	\$17,737
Operating Expenses	2,642,493	13,432
Net Operating Revenues	843,762	4,305
Other Income (including \$78,467 from Rentals)	105,469	5,338
Gross Corporate Income	949,231	4,843
Fixed Charges (including for Taxes, \$170,872)	677,276	3,455
*Surplus	271,956	1,388

OPERATING EXPENSES		
	Total	Per Mile
Maintenance of Way	\$358,350	\$1,828
Maintenance of Equipment	737,706	3,704
Traffic Expenses	117,580	600
Transportation Expenses	1,221,321	6,231
Miscellaneous Operations and General Expenses	207,536	1,059
Ratio of Operating Expenses to Operating Revenues 75.3 per cent.		
*This Surplus before deducting \$67,500 interest on Income Bonds.		

APPROPRIATION OF GROSS INCOME						
	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	30.5%	31.5%	28.7%	27.3%	24.5%	25.1%
For Traffic and Other Operating Expenses	43.1%	43.6%	43.3%	43.7%	41.8%	39.0%
For Fixed Charges	18.8%	20.1%	16.7%	17.8%	17.2%	15.1%
For Surplus	7.6%	4.8%	11.3%	11.2%	16.5%	20.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	2,076,000	2,298,565	2,137,423	2,191,308
Passenger miles per mile of road	116,390	141,041	139,769	137,131
Miles, second and additional main track	16	16	16	16
Miles, yards and sidings	105	105	104	98

See Notes, Page 405.

## NEW ORLEANS GREAT NORTHERN R. R.

Year	Avg. Miles			Surplus	Year	Avg. Miles			Surplus
	Oper.	Gross				Oper.	Gross		
1908-10	270	\$1,497,650	\$174,005	1912-13	277	\$1,801,344	\$196,441		
1910-11	275	1,697,622	87,943	1913-14	285	1,873,613	154,949		
1911-12	277	1,635,233	5,269	1914-15	*285	1,600,000	114,044		

\*Includes 42 miles of trackage. †Deficit.

## STOCK OUTSTANDING

	June 30, 1915.
Common	\$7,500,000

## BONDS OUTSTANDING

	June 30, 1915.
Fixed Interest	\$8,248,000
Equipment	225,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$7,500,000	\$26.316
Bonds	8,473,000	29.720
Total	15,973,000	56.036

Fixed Charges below include \$32,180 for Joint Facility Rentals, \$1,532 for Hire of Equipment and \$21,835 Discount on Securities Issued.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 285.	Total	Per Mile
Operating Revenues	\$1,600,000	\$6.874
Operating Expenses	1,071,189	3.698
Net Operating Revenues	548,861	1.926
Other Income (including \$2,279 from Rentals)	3,345	.12
Gross Corporate Income	552,206	1.938
Fixed Charges (including for Taxes, \$35,869)	566,270	1.987
Deficit	14,064	.49

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$266,458	934
Maintenance of Equipment	256,898	898
Traffic Expenses	31,223	110
Transportation Expenses	479,689	1,681
Miscellaneous Operations and General Expenses	78,416	275

Ratio of Operating Expenses to Operating Revenues 65.7 per cent.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses	28.8%	25.4%	23.5%	21.7%
For Traffic and Other Operating Expenses	36.7%	34.8%	35.2%	33.5%
For Fixed Charges	35.3%	31.5%	30.4%	33.5%
For Surplus	Deficit	8.3%	10.8%	0.3%
		100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton-miles per mile of road	288,527	306,617	293,334	293,149
Passenger miles per mile of road	52,311	68,830	63,691	56,918
Miles, yards and sidings	65	65	65	61

See Notes, Page 406.

TENNESSEE CENTRAL R. R.

(Receivers appointed for this Company December 31, 1912.)

Year	Avg. Miles Oper.	Gross	Deficit	Year	Avg. Miles Oper.	Gross	Deficit
1909-10	283	\$1,425,583	\$265,508	1912-13	294	\$1,684,335	\$334,782
1910-11	293	1,517,750	251,680	1913-14	294	1,707,839	410,869
1911-12	294	1,543,690	431,479	1914-15	294	1,481,403	633,903

STOCK OUTSTANDING

BONDS OUTSTANDING

	June 30, 1915.		June 30, 1915.
Common	\$8,000,000	Fixed Interest	\$12,391,900
		Receivers' Certificates	430,000

CAPITALIZATION

	Total	Per Mile
Stock	\$8,000,000	\$27,211
Bonds	12,821,900	43,612
Total	20,821,900	70,823

Fixed Charges below include interest on Bonds in default.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 294.		
Operating Revenues	\$1,481,403	\$5,039
Operating Expenses	1,259,450	4,284
Net Operating Revenues	221,953	755
Other Income	3,145	11
Gross Corporate Income	225,099	766
Fixed Charges (including for Taxes, \$56,060)	859,002	2,922
Deficit	633,903	2,156

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$348,616	\$1,189
Maintenance of Equipment	189,901	646
Traffic Expenses	64,694	220
Transportation Expenses	578,662	1,968
General Expenses	82,607	281
Ratio of Operating Expenses to Operating Revenues	85.0 per cent.	

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	35.9%	31.7%	30.4%	31.6%	24.5%
For Traffic and Other Operating Expenses	43.9%	44.2%	43.0%	47.0%	42.0%
For Fixed Charges	57.9%	48.1%	46.4%	49.4%	50.2%
For Surplus	Deficit	Deficit	Deficit	Deficit	Deficit

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	337,576	308,461	272,722	
Passenger miles per mile of road	59,717	59,475	54,977	
Miles, yards and sidings	74	74	73	

See Notes, Page 406.

## VICKSBURG, SHREVEPORT &amp; PACIFIC RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1901-2	171	\$1,080,253	\$166,089	1908-9	171	\$1,367,111	\$146,809
1902-3	171	1,268,523	224,642	1909-10	171	1,418,312	221,815
1903-4	171	1,426,761	228,485	1910-11	171	1,462,812	259,440
1904-5	171	1,424,406	188,619	1911-12	171	1,853,513	146,509
1905-6	171	1,302,225	107,417	1912-13	171	1,705,913	221,921
1906-7	171	1,568,505	153,673	1913-14	171	-1,776,777	192,932
1907-8	171	1,427,694	74,851	1914-15	171	1,386,737	109,187

## STOCK OUTSTANDING

June 30, 1915.

Common	\$2,856,500
Preferred (5%)	2,142,800

\*Includes \$1,323,000 6% Bonds which matured November 1, 1915, and which were extended at 5%.

## BONDS OUTSTANDING

June 30, 1915.

*Fixed Interest	\$3,245,000
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## CAPITALIZATION

	Total	Per Mile
Stock	\$4,999,300	\$29,236
Bonds	3,245,000	19,976
Total	8,244,300	48,212

Fixed Charges below include \$4,772 for Rentals.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated; 171.		
Operating Revenues	\$1,386,737	\$8,109
Operating Expenses	1,251,599	7,319
Net Operating Revenues	135,138	790
Other Income (including \$30,878 from Rentals)	243,734	1,425
Gross Corporate Income	378,872	2,215
Fixed Charges (including for Taxes, \$88,679)	269,685	1,577
Surplus	109,187	638

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$260,758	\$1,525
Maintenance of Equipment	333,110	1,948
Traffic Expenses	42,642	249
Transportation Expenses	*528,508	3,091
Miscellaneous Operations and General Expenses	86,581	506

Ratio of Operating Expenses to Operating Revenues 90.3 per cent.

\*After deducting \$892 Transportation for Investment—Cr.

Other Income above includes \$173,299 Dividend Income and \$20,764 Hire of Equipment—Cr. Dividend Income in 1913-14 was \$3,140 and the source from which the larger amount was received in 1914-15 was not mentioned in the annual report.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	36.4%	35.1%	35.7%	34.7%	32.0%	33.9%
For Traffic and Other Operating Expenses	40.3%	39.7%	37.5%	37.2%	35.3%	24.4%
For Fixed Charges	16.5%	14.7%	14.4%	18.0%	18.3%	17.1%
For Surplus	6.8%	10.5%	12.4%	10.1%	15.4%	14.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	447,649	513,405	538,531	836,586
Passenger miles per mile of road	95,227	127,344	115,262	94,643
Miles, yards and sidings	62	61	61	60

See Notes, Page 408.

WESTERN RY. OF ALABAMA.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1903-4	132	\$960,438	\$251,481	1909-10	133	\$1,167,402	\$221,481
1904-5	132	1,030,522	315,370	1910-11	133	1,293,272	173,156
1905-6	133	1,126,105	361,315	1911-12	133	1,391,011	231,694
1906-7	133	1,195,147	304,533	1912-13	133	1,412,153	295,462
1907-8	133	1,143,550	150,712	1913-14	133	1,511,085	302,065
1908-9	133	1,073,099	156,683	1914-15	133	1,252,293	126,066

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common	\$3,000,000	Fixed Interest	\$1,543,000

CAPITALIZATION

	Total	Per Mile
Stock	\$3,000,000	\$22,556
Bonds	1,543,000	11,902
Total	4,543,000	34,158

Fixed Charges below include \$15,625 for Rentals, and \$77,309 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 133.		
Operating Revenues	\$1,252,293	\$9,416
Operating Expenses	1,054,450	7,928
Net Operating Revenues	197,843	1,488
Other Income	155,061	1,166
Gross Corporate Income	352,904	2,654
Fixed Charges (including for Taxes, \$63,854)	226,838	1,706
Surplus	126,066	948

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$238,523	\$1,794
Maintenance of Equipment	296,362	2,228
Traffic Expenses	70,182	528
Transportation Expenses	*374,851	2,818
Miscellaneous Operations and General Expenses	74,432	560

Ratio of Operating Expenses to Operating Revenues 84.2 per cent.

\*After deducting \$2,051 Transportation for Investment—Cr.

Other Income above includes \$19,018 from Rentals and \$116,147 from Hire and Rental of Equipment.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	38.0%	33.7%	34.1%	35.4%	38.4%	34.3%
For Traffic and Other Operating Expenses	36.9%	35.4%	36.5%	38.9%	37.7%	36.2%
For Fixed Charges	16.1%	12.9%	9.6%	9.8%	10.9%	11.0%
For Surplus	9.0%	18.0%	19.8%	15.9%	13.0%	18.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	427,988	491,327	450,148	478,448
Passenger miles per mile of road	146,245	178,775	170,158	168,088
Miles, yards and sidings	51	50	49	48

See Notes, Page 408.

## ATCHISON, TOPEKA &amp; SANTA FE RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1901-2	7,855	\$59,135,086	\$15,564,527	1908-9	9,795	\$94,265,717	\$20,417,591
1902-3	7,965	62,350,397	13,898,330	1909-10	9,916	104,993,195	20,425,784
1903-4	8,180	68,171,200	15,359,771	1910-11	10,350	107,565,116	21,371,068
1904-5	8,305	68,575,837	11,742,346	1911-12	10,628	107,752,360	19,660,241
1905-6	8,434	78,044,347	17,733,210	1912-13	10,750	116,896,252	22,153,734
1906-7	9,278	99,883,407	21,168,724	1913-14	10,909	111,109,770	20,183,965
1907-8	9,415	90,617,796	13,678,886	1914-15	11,115	117,665,587	24,130,862

## STOCK OUTSTANDING

June 30, 1915.

*Common	\$200,489,500
†Preferred (5%)	114,173,730

\*Includes \$4,678,000 Common Stock issued during 1914-15 at par in exchange for Convertible Bonds (\$92,855,000 similarly issued from 1908-9 to 1913-14 inclusive). †Increased in 1915-16 by \$10,000,000. ‡Does not include \$2,325,630 Bonds in Treasury; Includes \$40,430,000 Bonds convertible into Common Stock at par.

## BONDS OUTSTANDING

June 30, 1915.

‡Fixed Interest	\$310,975,282
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## CAPITALIZATION

	Total	Per Mile
Stock	\$314,663,230	\$28,810
Bonds	310,975,282	\$7,978
Total	625,638,512	56,268

Fixed Charges below include \$1,072,170 for Rentals, and \$819,722 for Hire of Equipment—Dr.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 11,115.		
Operating Revenues	\$117,685,587	\$10,598
Operating Expenses	76,091,564	6,846
Net Operating Revenues	41,574,033	3,740
Other Income (Including \$693,236 from Rentals)	2,997,151	270
Gross Corporate Income	44,571,184	4,010
Fixed Charges (Including for Taxes \$5,497,317)	20,440,322	1,839
*Surplus	24,130,862	2,171

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$16,514,468	\$1,486
Maintenance of Equipment	19,764,536	1,778
Traffic Expenses	2,649,175	238
Transportation Expenses	†34,686,780	3,121
General Expenses	2,476,595	223

Ratio of Operating Expenses to Operating Revenues 64.7 per cent.

\*This Surplus before deducting \$6,513,387 for Additions and Betterments, \$54,503 appropriation for Fuel Reserve, and \$12,946 Sinking Fund payments. †After deducting \$140,925 Transportation for Investment—Cr.

Other Income above includes \$693,236 from Rentals, and \$1,321,381 Income from Investments.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	36.1%	30.3%	31.4%	29.6%	29.8%	31.0%
For Traffic and Other Operating Expenses	33.0%	33.6%	33.6%	35.1%	34.6%	33.9%
For Fixed Charges	16.9%	17.3%	16.4%	17.0%	16.1%	16.1%
For Surplus	80.0%	17.8%	18.6%	17.8%	19.5%	19.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	743,452	670,664	725,813	655,883
Passenger miles per mile of road	120,709	175,117	123,245	119,890
Miles, second and additional main track	1,002	1,001	923	897
Miles, yards and sidings	4,002	3,862	3,717	3,623

See Notes, Page 409.

# OF RAILROADS

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## CHICAGO, ROCK ISLAND & PACIFIC RY.

(Receivers appointed April 20, 1915.)

Year	Avg. Miles		Surplus	Year	Avg. Miles		Surplus
	Oper.	Gross			Oper.	Gross	
1905-6	7,213	\$51,337,858	\$6,785,823	1910-11	8,026	\$68,487,473	\$5,442,714
1906-7	7,788	60,238,420	8,750,517	1911-12	8,036	64,712,858	3,850,506
1907-8	7,970	58,454,197	4,718,102	1912-13	8,048	71,364,935	4,058,955
1908-9	8,026	61,184,887	6,166,331	1913-14	8,205	63,208,115	450,631
1909-10	8,044	66,220,578	4,747,881	1914-15	*8,330	70,947,890	†734,677

\*Includes 923 miles of trackage. †Deficit.

### STOCK OUTSTANDING

Common ..... \$74,482,522

### BONDS OUTSTANDING

Fixed Interest ..... \$242,868,789  
 Equipment ..... 18,740,000  
 Notes, due 1918 ..... 7,534,000  
 Receivers' Certificates.. 1,494,000  
 Other ..... 86,841

\*Does not include \$20,709,581 Bonds in Treasury, of which \$20,709,000 were pledged as collateral for short term loans; also does not include Loans and Bills Payable, June 30, 1915, \$4,100,000.

### CAPITALIZATION

	Total	Per Mile
Stock .....	\$74,482,522	\$3,941
Bonds .....	268,732,630	32,251
Total .....	343,215,152	41,202

Fixed Charges below include \$1,955,163 for Rentals, \$1,266,477 Hire of Freight Cars—Dr., and \$452,415 Rent for other Equipment.  
 Debit-Balance to Profit and Loss, June 30, 1915, \$12,530,963.

### INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 8,330.		
Operating Revenues .....	\$70,947,890	\$8,527
Operating Expenses .....	53,621,615	6,425
Net Operating Revenues .....	17,326,275	2,082
Other Income (including \$488,072 Hire of Equipment) .....	1,367,916	164
Gross Corporate Income .....	18,794,191	2,256
Fixed Charges (including for Taxes, \$3,353,919) .....	19,528,868	2,344
Deficit .....	734,677	88

### OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$9,468,977	\$1,137
Maintenance of Equipment .....	11,807,657	1,417
Traffic Expenses .....	1,877,152	225
Transportation Expenses .....	*28,069,507	3,370
Miscellaneous Operations and General Expenses....	2,298,323	276

Ratio of Operating Expenses to Operating Revenues 75.4 per cent.

\*After deducting \$37,740 Transportation for Investment—Cr.

Other Income above includes \$513,422 from Rentals.

### APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses .....	29.4%	26.9%	27.2%	25.2%	27.2%
For Traffic and Other Operating Expenses.....	44.6%	40.6%	44.3%	45.0%	48.8%
For Fixed Charges.....	27.0%	25.9%	23.6%	24.0%	22.2%
For Surplus .....	Deficit	0.6%	5.5%	5.8%	7.8%
		100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road.....	655,693	624,417	646,611	572,340
Passenger miles per mile of road....	114,778	119,440	122,228	116,900
Miles, second and additional main track .....	477	477	471	471
Miles, yards and sidings .....	2,323	2,300	2,166	2,114

See Notes, Page 413.



## COLORADO &amp; SOUTHERN RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901-2	1,133	\$5,580,327	\$626,759	1908-9	1,980	\$15,080,412	\$2,198,859
1902-3	1,121	6,142,989	496,983	1909-10	2,042	16,777,981	2,951,633
1903-4	1,120	5,702,688	437,841	1910-11	*2,016	15,324,066	2,298,692
1904-5	1,118	6,228,744	610,315	1911-12	1,881	13,959,976	1,499,968
1905-6	1,663	11,653,446	1,766,212	1912-13	†1,850	15,077,677	1,665,313
1906-7	1,858	13,456,489	2,091,857	1913-14	1,867	13,222,737	406,151
1907-8	1,932	14,280,535	2,171,903	1914-15	1,846	14,172,978	615,149

\*Includes Colorado Springs & Cripple Creek District Ry. for 1910-11 and for part of 1911-12 (see Notes). †Includes Colorado & Southern Ry. (1,089 miles), Ft. Worth & Denver City Ry. (464 miles), Wichita Valley Lines (257 miles), and Denver & Intarurban R. R. (29 miles).

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common	\$31,000,000	*Fixed Interest	\$61,490,900
Preferred 1st (4%)	8,500,000	Equipment	1,404,000
Preferred 2d (4%)	8,500,000		
Other	21,494		

\*Does not include \$5,218,447 Bonds in Treasury.

## CAPITALIZATION

	Total	Per Mile
Stock	\$48,021,484	\$26,099
Bonds	62,894,900	34,182
Total	110,916,384	60,281

Fixed Charges below include \$59,874 for Rentals, \$303,856 for Hire of Equipment and \$29,125 Loss Separately Operated Properties.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 1,840.		Total	Per Mile
Operating Revenues		\$14,172,978	\$7,708
Operating Expenses		10,110,575	5,496
Net Operating Revenues		4,062,403	2,208
Other Income (including \$285,064 from Rentals)		457,876	249
Gross Corporate Income		4,519,979	2,457
Fixed Charges (including for Taxes, \$616,053)		3,904,830	2,123
*Surplus		615,149	334

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,741,313	\$946
Maintenance of Equipment	2,723,291	1,480
Traffic Expenses	215,497	118
Transportation Expenses	4,908,458	2,667
Miscellaneous Operations and General Expenses	522,316	284

Ratio of Operating Expenses to Operating Revenues 71.3 per cent.  
 \*This Surplus before deducting \$61,383 paid account of Sinking Fund.  
 The above statements include no Income from or Advances to the Trinity & Brazos Valley Ry. (now in hands of Receiver; see Notes).

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	30.5%	28.4%	31.5%	28.3%	27.1%	27.7%
For Traffic and Other Operating Expenses	38.6%	40.7%	35.2%	36.9%	35.6%	36.2%
For Fixed Charges	26.7%	28.1%	22.8%	24.6%	23.3%	18.8%
For Surplus	4.2%	2.8%	10.5%	10.2%	14.0%	17.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	534,422	469,344	620,776	562,445
Passenger miles per mile of road	63,233	69,007	71,825	68,496
Miles, second and additional main track	3	3	3	3
Miles, yards and sidings	522	521	527	470

See Notes, Page 419.

DENVER & RIO GRANDE R. R.

Year	Avg. Miles			Year	Avg. Miles			Surplus
	Oper.	Gross	Surplus		Oper.	Gross	Surplus	
1901-2	2,347	\$17,036,828	\$3,202,625	1908-9	2,534	\$20,876,571	\$3,056,948	
1902-3	2,378	17,304,560	2,962,561	1909-10	2,541	23,563,427	3,008,167	
1903-4	2,398	16,446,435	2,574,413	1910-11	2,553	23,391,771	2,483,044	
1904-5	2,420	17,081,507	2,932,462	1911-12	2,551	23,280,403	1,126,919	
1905-6	2,477	19,636,115	3,712,474	1912-13	2,555	24,452,965	†2,306,643	
1906-7	2,500	21,409,042	4,176,797	1913-14	2,588	23,167,051	†2,011,874	
1907-8	2,499	20,386,431	3,535,836	1914-15	*2,571	21,823,236	†2,108,202	

\*Includes about 800 miles narrow gauge track. †Before deducting Interest on Adjustment Income Bonds.

STOCK OUTSTANDING

June 30, 1915.

Common	\$38,000,000
Preferred (5%)	49,775,670
*Income Bonds (7%)	10,000,000

\*Cumulative. †Does not include \$10,992,000 Bonds held in Treasury and by Trustees. ‡Matured Rental of Leased Lines.

BONDS OUTSTANDING

June 30, 1915.

†Fixed Interest	\$112,901,000
Equipment	375,000
†Other	544,449

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$97,775,670	\$38,030
Bonds	113,820,449	44,271
Total	211,596,119	82,301

Fixed Charges below include \$511,157 for Rentals, and \$126,327 Hire of Equipment—Dr., but do not include \$639,471 Interest, as adjusted on Adjustment Bonds.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 2,571.		
Operating Revenues	\$27,823,236	\$8,488
Operating Expenses	14,239,671	5,553
Net Operating Revenues	7,583,565	2,930
Other Income (including \$193,033 from Rentals)	1,241,122	483
Gross Corporate Income	8,774,747	3,413
Fixed Charges (including for Taxes, \$1,020,606)	6,668,545	2,593
*Surplus	2,108,202	820

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,541,540	\$988
Maintenance of Equipment	3,992,351	1,553
Traffic Expenses	477,425	186
Transportation Expenses	†6,281,653	2,443
Miscellaneous Operations and General Expenses	996,702	383

Ratio of Operating Expenses to Operating Revenues 65.5 per cent.

\*This Surplus before deducting \$639,471 Interest, as adjusted, on Adjustment Bonds, \$135,313 Income applied to Sinking Fund, and \$348,777 applied to Renewal Fund and Road and Equipment. †After deducting \$9,302 Transportation for Investment—Cr.

Other Income above includes \$391,033 Dividend Income.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	23.3%	31.3%	31.4%	30.1%	26.7%	26.2%
For Traffic and Other Operating Expenses	33.7%	34.3%	34.9%	37.8%	36.5%	37.6%
For Fixed Charges	28.9%	26.2%	24.7%	27.6%	27.0%	24.1%
For Surplus	9.1%	8.2%	9.0%	4.5%	9.8%	12.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12	1910-11	1911-12
Ton miles per mile of road	521,778	549,767	592,903	563,158		
Passenger miles per mile of road	89,557	96,351	102,318	99,247		
Miles, second and additional main track	200	197	178	159		
Miles, yards and sidings	713	705	676	664		

See Notes, Page 421.

## EL PASO &amp; SOUTHWESTERN CO.

(El Paso & Southwestern R. R., 457 miles; El Paso & Northeastern Ry., 150 miles; Dawson Ry., 132 miles; Chicago, Rock Island & El Paso Ry., 90 miles; El Paso & Rock Island Ry., 138 miles, etc.)

Avg. Miles		Gross		Surplus		Avg. Miles		Gross		Surplus	
Year	Oper.			Year	Oper.			Year	Oper.		
1912-13	947	\$8,667,716	\$2,202,420	1914-15	*1,027	\$7,788,736	\$1,812,647				
1913-14	1,001	9,067,553	2,009,718								

\*Includes 33 miles trackage.

## STOCK OUTSTANDING

June 30, 1915.

Common .....\$25,000,000

## BONDS OUTSTANDING

June 30, 1915.

\*Subsidiary Cos.....\$10,614,000

\*The El Paso & Southwestern Co. proper has no Bonded Debt. The Bonds here included consist of \$3,000,000 New Mexico Ry. & Coal Co. First & Collateral 5s; \$1,782,000 N. M. Ry. & Coal Co. First Cons. & Coll. 5s; \$3,000,000 Dawson Ry. & Coal Co. 5s; \$322,000 Alamogordo & Sacramento Mountain Ry. 5s, and \$2,500,000 El Paso & Rock Island Ry. 5s. In the Income Account below the Interest on these Bonds is covered by the deduction for Lease, etc.

Loans and Bills Payable, June 30, 1915, \$3,000,000.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$25,000,000	\$24.343
Bonds .....	10,614,000	10.355
Total .....	35,614,000	34.678

Fixed Charges below include \$2,013,444 deduction for Lease of Other Roads, Rentals and Other Charges. This includes Interest on Bonds mentioned above. Fixed Charges also include \$19,812 Deficit from Outside Operations.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,027.		
Operating Revenues .....	\$7,788,736	\$7.584
Operating Expenses .....	4,729,225	4.605
Net Operating Revenues .....	3,059,511	2.979
Other Income (including \$22,086 from Rents) .....	1,405,121	1.368
Gross Corporate Income .....	4,464,632	4.347
Fixed Charges (including for Taxes, \$400,743) .....	2,651,985	2.582
*Surplus .....	1,812,647	1.765

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$1,021,496	\$995
Maintenance of Equipment .....	1,075,214	1,047
Traffic Expenses .....	235,199	219
Transportation Expenses .....	1,207,430	1,194
Miscellaneous Operations and General Expenses.....	359,896	350

Ratio of Operating Expenses to Operating Revenues 90.7 per cent.

\*Profit and Loss was charged in 1914-15, \$3,089,999. Depreciation in value Rock Island Co. Stock (\$1,000,000 1913-14). †After deducting \$4,857 Transportation for Investment—Cr.

Other Income above includes \$99,330 Rent from Equipment; \$930,000 Dividend Income and \$353,704 Income from Funded and Unfunded Securities and Accounts.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13
For Maintenance Expenses .....			22.8%
For Traffic and Other Operating Expenses .....			23.6%
For Fixed Charges .....			28.9%
For Surplus .....			19.7%
			100.0%

	1914-15	1913-14	1912-13
Ton miles per mile of road.....	602,178	788,302	776,012
Passenger miles per mile of road .....	42,872	38,369	37,469

See Notes, Page 425.

## INTERNATIONAL &amp; GREAT NORTHERN RY.

(Receivers appointed August 10, 1914.)

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1913-14	1,159	\$11,280,565	\$323,518	1914-15	*1,160	\$9,083,626	†\$1,121,397
1915-16	1,159	9,941,374	†448,886				

\*Includes 53 miles trackage. †Deficit.

## STOCK OUTSTANDING

	June 30, 1915.
Common	\$1,420,000
Preferred (5%)	3,400,000

## BONDS OUTSTANDING

	June 30, 1915.
Fixed Interest	\$12,597,000
Equipment	685,000
Notes due 1914 (5%)	11,000,000
Receivers' Certificates	600,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$4,822,000	\$4,152
Bonds	15,180,000	13,096
Total	20,002,000	17,243

Fixed Charges below include \$108,159 for Rentals, and \$295,255 for Hire of Equipment—Dr.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,160.		
Operating Revenues	\$9,083,626	\$7,861
Operating Expenses	7,871,449	6,799
Net Operating Revenues	1,212,177	1,065
Other Income (including Hire of Eq'p't—Cr.)	461,241	397
Gross Corporate Income	1,673,418	1,442
Fixed Charges (including for Taxes, \$400,000)	2,794,815	2,409
Deficit	1,121,397	967

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,539,783	1,327
Maintenance of Equipment	1,585,929	1,367
Traffic Expenses	263,869	230
Transportation Expenses	*4,079,876	3,517
Miscellaneous Operations and General Expenses	356,492	302
Ratio of Operating Expenses to Operating Revenues 86.7 per cent.		
*After deducting \$42,207 Transportation for Investment—Cr.		
Other Income above includes \$69,629 from Rentals.		

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13
For Maintenance Expenses	32.7%	37.4%	28.7%
For Traffic and Other Operating Expenses	49.7%	52.3%	48.5%
For Fixed Charges	29.3%	24.4%	21.9%
For Surplus	Deficit	Deficit	2.9%
			100.0%

	1914-15	1913-14	1912-13
Ton miles per mile of road	549,508	500,829	506,756
Passenger miles per mile of road	61,098	77,687	82,140
Miles, yards and sidings	809	801	825

See Notes, Page 426.

## THE EARNING POWER

## KANSAS CITY SOUTHERN RY.

Year	Avg. Miles			Surplus	Year	Avg. Miles			Surplus
	Oper.	Gross				Oper.	Gross		
1903-4	839	\$6,450,320	\$853,023	1909-10	827	\$9,594,652	\$1,491,421		
1904-5	839	6,627,754	735,213	1910-11	827	9,995,180	1,664,859		
1905-6	827	7,256,384	933,055	1911-12	827	9,272,959	885,860		
1906-7	827	8,763,591	2,455,339	1912-13	827	10,706,309	1,643,206		
1907-8	827	8,758,929	1,613,272	1913-14	827	10,993,454	1,725,449		
1908-9	827	8,771,965	1,876,655	1914-15	837	10,035,896	1,140,431		

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common	\$30,000,000	*Fixed Interest	\$47,000,000
Preferred (4%)	21,000,000	Equipment	1,178,000

\*Thirty million dollars are 3% Bonds and \$17,000,000 are 5% Bonds.

## CAPITALIZATION

	Total	Per Mile
Stock	\$51,000,000	\$60,932
Bonds	48,178,000	57,560
Total	99,178,000	118,492

Fixed Charges below include \$150,403 for Rentals and \$97,925 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 837.		
Operating Revenues	\$10,035,896	\$11,990
Operating Expenses	6,478,821	7,740
Net Operating Revenues	3,557,075	4,250
Other Income (including \$151,949 from Rentals)	170,919	204
Gross Corporate Income	3,727,994	4,454
Fixed Charges (including for Taxes, \$574,316)	2,587,563	3,091
*Surplus	1,140,431	1,363

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,132,078	\$1,353
Maintenance of Equipment	1,185,016	1,416
Traffic Expenses	336,196	401
Transportation Expenses	*3,336,522	3,986
General Expenses	489,009	584

Ratio of Operating Expenses to Operating Revenues 64.6 per cent.  
\*After deducting \$60,484 Transportation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	23.7%	22.3%	21.8%	21.7%	23.1%	23.2%
For Traffic and Other Operating Expenses	40.8%	39.7%	40.3%	42.5%	40.2%	41.5%
For Fixed Charges	25.3%	22.7%	22.8%	23.4%	20.3%	19.2%
For Surplus	11.2%	15.4%	15.1%	9.4%	16.4%	15.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	1,349,333	1,284,810	1,230,125	1,016,738
Passenger miles per mile of road	77,164	88,684	81,644	76,966
Miles, second and additional main track	23	14	14	14
Miles, yards and sidings	429	426	420	409

See Notes, Page 427.

MIDLAND VALLEY R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1908-9	322	\$397,655	.....	1912-13	375	\$1,511,165	*\$14,546
1909-10	323	1,245,080	.....	1913-14	380	1,613,581	49,808
1910-11	323	1,352,608	\$17,746	1914-15	380	1,392,739	60,853
1911-12	358	1,435,447	*\$2,304				

\*Deficit. †Includes 25 miles trackage.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common	\$4,006,500	Fixed Interest	\$5,000,000
Preferred (5%)	4,006,500		
*Income Bonds (5%)	5,512,500		
*Adjustment Mortgage 40-year 5% Bonds, due 1953 (\$3,312,500 Series "A" and \$2,000,000 Series "B"—See Notes).			

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$12,525,000	\$35,592
Bonds	5,000,000	14,458
Total	18,525,000	48,750
†Fixed Charges below include \$77,595 for Rentals.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 380.		
Operating Revenues	\$1,392,739	\$3,665
Operating Expenses	1,080,823	2,844
Net Operating Revenues	311,916	821
Other Income (including \$55,352 Hire of Equipment)	151,187	398
Gross Corporate Income	463,103	1,219
Fixed Charges (including for Taxes, \$69,833)	405,245	1,059
Surplus	60,858	160

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$271,571	\$715
Maintenance of Equipment	236,965	624
Traffic Expenses	25,183	66
Transportation Expenses	475,937	1,252
General Expenses	71,187	187
Ratio of Operating Expenses to Operating Revenues 77.6 per cent.		
Other Income above includes \$1,004 from Rentals and \$82,000 Income from Funded Securities.		

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	32.9%	37.4%	39.1%	35.2%	29.4%
For Traffic and Other Operating Expenses	37.1%	38.0%	36.5%	36.3%	34.6%
For Fixed Charges	26.1%	22.3%	25.2%	34.5%	34.8%
For Surplus	3.9%	2.3%	Deficit	Deficit	1.2%
	100.0%	100.0%			100.0%
Ton miles per mile of road	185,952	226,229	190,660	161,450	1911-12
Passenger miles per mile of road	40,791	50,968	49,070	47,255	
Miles, yards and sidings	61	60	65	65	

See Notes, Page 428.

Midland Valley R.R. Co.

## MISSOURI, KANSAS &amp; TEXAS RY.

(Receivers appointed September 27, 1915.)

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1904-2	2,509	\$18,391,400	1908-9	3,072	\$28,300,925
1908-3	2,601	17,208,192	1909-10	3,072	26,559,345
1903-4	2,884	17,766,595	1910-11	3,377	29,065,284
1904-5	3,043	20,041,095	1911-12	3,398	26,199,719
1905-6	3,043	21,159,145	1912-13	3,677	32,346,258
1906-7	3,072	26,182,959	1913-14	3,825	\$1,581,188
1907-8	3,072	23,285,670	1914-15	3,865	32,838,759

\*Includes 261 miles of trackage.

## STOCK OUTSTANDING

June 30, 1915.

Common	\$63,283,257
Preferred (4%)	13,000,000
Other	26,600

\*Includes Bonds of Texas Central R. R. assumed, and Bonds of the Wichita Falls &amp; Northwestern Ry. and Wichita Falls &amp; Southern Ry.; does not include Bonds owned or controlled by the Company.

Loans and Bill Payable, June 30, 1915, \$2,809,948.

The Missouri, Kansas &amp; Texas Ry. has defaulted Interest on nearly all of its outstanding obligations.

## BONDS OUTSTANDING

June 30, 1915.

*Fixed Interest	\$119,236,500
Equipment	2,106,000
Notes (6%) due 1916	19,000,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$76,309,857	\$19,744
Bonds	140,404,500	36,327
Total	216,714,357	56,071

Fixed Charges below include \$643,556 for Rentals and \$186,498 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 3,865.		
Operating Revenues	\$32,698,759	\$8,512
Operating Expenses	22,967,532	5,946
Net Operating Revenues	9,931,187	2,569
Other Income	214,834	56
Gross Corporate Income	10,146,001	2,625
Fixed Charges (including for Taxes, \$1,327,871)	8,671,016	2,243
Surplus	1,474,985	382

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,502,567	\$1,165
Maintenance of Equipment	4,579,464	1,185
Traffic Expenses	667,215	170
Transportation Expenses	*11,893,397	3,077
Miscellaneous Operations and General Expenses	1,394,949	346

Ratio of Operating Expenses to Operating Revenues 69.8 per cent.

\*After deducting \$186,932 Transportation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	27.4%	26.8%	26.5%	27.5%	25.3%	27.6%
For Traffic and Other Operating Expenses	41.8%	44.8%	42.6%	46.7%	44.6%	43.8%
For Fixed Charges	26.2%	26.7%	23.9%	25.0%	24.1%	24.1%
For Surplus	4.5%	1.7%	7.0%	0.1%	6.0%	3.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	585,703	483,838	497,766	493,108
Passenger miles per mile of road	92,788	105,635	109,065	102,755
Miles, second and additional main track	66	66	57	57
Miles, yards and sidings		1,075	1,084	983

See Notes, Page 429.

**MISSOURI PACIFIC RY. SYSTEM.**

(Receivers Appointed August 17, 1915.)

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1909-7	6,376	\$48,708,342	\$7,493,403	1911-12	7,284	\$54,503,350	†\$5,232,539
1907-8	6,439	44,238,708	2,926,716	1912-13	7,267	62,155,575	1,569,734
1908-9	6,498	46,335,543	1,464,509	1913-14	7,285	59,793,949	74,692
1909-10	6,775	53,019,137	2,759,411	1914-15	7,285	58,209,306	†1,249,546
1910-11	7,285	52,776,698	†1,979,081				

\*Includes 357 miles of Leased Lines and Trackage Rights. †Deficit.

**STOCK OUTSTANDING**

June 30, 1915.

Common .....\$82,884,720

**BONDS OUTSTANDING**

June 30, 1915.

Fixed Interest .....\$247,797,620

Equipment ..... 6,798,000

Notes (6%) due 1916..... 24,845,000

\*Does not include \$2,575,387 Bonds in Treasury and \$77,592,000 Bonds pledged or on special deposit. See Notes as to Plan of Readjustment. Interest on certain of the above obligations was defaulted following Receivership.

**CAPITALIZATION**

	Total	Per Mile
Stock .....	\$82,884,720	\$11.378
Bonds .....	279,440,620	35.358
Total .....	\$362,525,340	49.736

Fixed Charges below include \$1,123,664 for Rentals and \$899,300 Equipment Rentals.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

	Total	Per Mile
Average miles operated, 7,285.		
Operating Revenues .....	\$58,209,306	\$7.990
Operating Expenses .....	42,559,670	5.942
Net Operating Revenues .....	15,649,636	2.148
Other Income (including \$615,086 from Rentals) .....	1,103,175	.152
Gross Corporate Income .....	16,752,811	2.300
Fixed Charges (including for Taxes, \$2,552,429) .....	17,993,267	2.470
Deficit .....	1,240,546	.170

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way .....	\$8,141,832	\$1.118
Maintenance of Equipment .....	10,769,047	1.478
Traffic Expenses .....	1,417,094	.195
Transportation Expenses .....	*20,553,939	2.821
Miscellaneous Operations and General Expenses....	1,677,698	.230

Ratio of Operating Expenses to Operating Revenues 73.1 per cent.

\*After deducting \$2,481 Transportation for Investment—Cr.

Other Income above includes \$194,012 from Equipment Rentals.

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	31.9%	30.2%	29.6%	29.9%	31.7%	28.6%
For Traffic and Other Operating Expenses .....	39.9%	39.1%	39.6%	42.8%	47.7%	39.8%
For Fixed Charges .....	30.3%	30.6%	28.4%	30.8%	30.2%	26.6%
For Surplus .....	Deficit	0.1%	2.4%	Deficit	Deficit	5.0%
	100.0%	100.0%				100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road .....	779,548	755,693	781,093	663,051
Passenger miles per mile of road....	67,625	75,344	69,190	64,048
Miles, second and additional main track .....	269	269	266	259
Miles, yards and sidings .....	2,085	2,081	2,091	2,049

See Notes, Page 432.



## RIO GRANDE SOUTHERN R. R.

Year	†Avg. Miles		Gross	Surplus	Year	†Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1901-2	180		\$575,675	\$52,292	1908-9	180		\$576,152	*\$24,029
1902-3	180		553,554	75,357	1909-10	180		546,520	*\$9,892
1903-4	180		461,566	*18,227	1910-11	180		559,733	*\$2,188
1904-5	180		466,386	14,008	1911-12	180		\$510,271	*\$268,433
1905-6	180		562,908	32,323	1912-13	180		664,179	4,480
1906-7	180		611,640	25,509	1913-14	180		646,021	*\$12,262
1907-8	180		606,753	31,036	1914-15	180		555,899	*\$5,856

\*Deficit. †Narrow Gauge. ‡Decrease in Gross and large Deficit due largely to heavy losses from floods.

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common	\$4,510,000	Fixed Interest	\$4,510,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$4,510,000	\$25,065
Bonds	4,510,000	25,065
Total	9,020,000	50,110

Fixed Charges below include \$6,519 for Rentals and \$13,027 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 180.		
Operating Revenues	\$555,899	\$3,088
Operating Expenses	372,796	2,071
Net Operating Revenues	183,103	1,017
Other Income (including \$398 Hire of Equipment)	8,224	18
Gross Corporate Income	191,327	1,085
Fixed Charges (including for Taxes, \$34,626)	235,133	1,306
Deficit	43,856	271

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$136,606	\$769
Maintenance of Equipment	39,304	221
Traffic Expenses	274	2
Transportation Expenses	182,822	1,015
General Expenses	13,290	74

Ratio of Operating Expenses to Operating Revenues 67.1 per cent.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	31.6%	29.9%	29.6%	*62.5%	28.4%	30.8%
For Traffic and Other Operating Expenses	35.1%	35.5%	35.2%	42.7%	34.9%	33.2%
For Fixed Charges	42.0%	36.7%	34.5%	44.5%	40.6%	42.4%
For Surplus		Deficit	Deficit	0.7%	Deficit	Deficit

100.0%

\*Strikingly large Ratio of Maintenance to Gross, in 1911-12 due to flood damages.

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	58,088	68,494	71,433	38,968
Passenger miles per mile of road	11,939	13,180	12,965	11,783

See Notes, Page 436.

ST. JOSEPH & GRAND ISLAND RY.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1900-1	312	\$1,399,955	1908-9	319	\$1,562,113
1901-2	312	1,349,790	1909-10	319	1,621,739
1902-3	312	1,388,162	1910-11	319	1,704,315
1903-4	312	1,314,220	1911-12	319	1,545,825
1904-5	312	1,299,033	1912-13	319	1,553,465
1905-6	312	1,522,046	1913-14	319	1,610,060
1906-7	312	1,734,558	1914-15	*284	1,507,314
1907-8	314	1,602,311			

\*Actual mileage operated June 30, 1915, 258 miles, as compared with 319 miles operated June 30, 1914. This decrease in mileage is due to the discontinuance of use of 61 miles of trackage (St. Joseph to Kansas City, Mo., July 15, 1914). †Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$4,600,000	Fixed Interest	\$4,000,000
Preferred 1st (5%)	5,500,000		
Preferred 2d (4%)	3,500,000		

Loans and Bills Payable June 30, 1915, \$334,055.

CAPITALIZATION

	Total	Per Mile
Stock	\$13,600,000	\$51,515
Bonds	4,000,000	15,152
Total	17,600,000	66,667

Fixed Charges below include \$32,434 for Joint Facility Rentals and \$46,444 Hire of Equipment—Balance.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 284		
Operating Revenues	\$1,507,314	\$5,710
Operating Expenses	1,172,925	4,448
Net Operating Revenues	334,389	1,267
Other Income (including \$41,917 from Rentals)	43,323	154
Gross Corporate Income	377,712	1,431
Fixed Charges (including for Taxes, \$95,263)	355,276	1,345
Surplus	22,436	81

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$250,822	\$950
Maintenance of Equipment	247,677	938
Traffic Expenses	56,167	213
Transportation Expenses	558,999	2,110
General Expenses	61,260	232

Ratio of Operating Expenses to Operating Revenues 77.8 per cent.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	32.1%	36.5%	36.7%	35.0%	34.8%	44.6%
For Traffic and Other Operating Expenses	43.5%	50.8%	51.8%	52.2%	50.8%	49.0%
For Fixed Charges	22.9%	25.7%	25.7%	25.9%	21.2%	23.0%
For Surplus	1.5%	Deficit	Deficit	Deficit	Deficit	Deficit
	100.0%					

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	349,782	330,095	318,233	268,550
Passenger miles per mile of road	52,950	51,314	55,714	61,959
Miles, yards and sidings	62	61	62	61

See Notes, Page 436.

## ST. LOUIS &amp; SAN FRANCISCO R. R.

(Receivers appointed May 27, 1913.)

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	* Surplus
1909-10	4,217	\$26,896,731	\$1,280,357	1909-10	5,072	\$41,165,939	\$1,121,959
1904-5	5,030	29,958,240	1,024,128	1910-11	5,188	43,159,228	1,535,404
1905-6	5,069	32,046,658	2,309,136	1911-12	5,241	42,100,364	177,399
1906-7	5,062	33,621,067	4,158,583	1912-13	5,255	46,050,290	1,667,348
1907-8	5,064	35,906,132	459,066	1913-14	5,259	44,923,569	12,528,142
1908-9	5,251	38,195,738	1,328,585	1914-15	75,352	42,974,573	11,284,672

\*Excepting for 1912-13, 1913-14 and 1914-15 surplus here given before deducting annual discount and loss separately operated properties. †Includes 199 miles of trackage. Does not include C. & E. I. R. R. (which see) and New Orleans, Texas & Mexico R. R. †Denote.

## STOCK OUTSTANDING

June 30, 1915

Common	\$28,992,350
Preferred 1st (4%)	4,993,465
Preferred 2d (4%)	15,999,947

## BONDS OUTSTANDING

June 30, 1915

*Fixed Interest	\$25,834,511
Equipment	6,054,508
†Notes	4,850,000
Receivers' Certificates	3,000,000

\*Includes \$13,510,000 outstanding K. C. Ft. S. & M. Ry. Preferred Stock 4% Certificates. Does not include the following: \$1,490,000 K. C. Ft. S. & M. Ry. Preferred Certificates owned and pledged; \$28,582,818 New Orleans, Texas & Mexico Division Bonds (this division is being reorganized separately) and \$29,593,950 "Frisco" C. & E. I. Certificates in default. †\$2,250,000 matured in 1913 and \$3,800,000 matured in 1914.

## CAPITALIZATION

	Total	Per Mile
Stock	\$49,985,762	\$9,518
Bonds	*239,799,019	45,647
Total	289,724,781	55,165

\*Of this total \$148,719,496 Bonds were in default.

Fixed Charges below include \$1,408,364 for Sundry Rentals and Sinking Funds, \$590,247 for Hire of Equipment, \$888,884 Amortization of Discount on Funded Debt, and \$8,828,394 Interest on Bonds, which was not actually paid. Interest on "Frisco" C. & E. I. Certificates is excluded.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 5,252	\$42,974,573	\$8,182
Operating Revenues	29,839,098	5,681
Operating Expenses	13,135,535	2,501
Net Operating Revenues	1,111,090	211
Other Income	14,246,625	2,712
Gross Corporate Income	15,581,297	2,957
Fixed Charges (including for Taxes, \$2,016,706)	1,284,672	245
Deficit		

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$6,088,312	\$1,159
Maintenance of Equipment	7,169,021	1,363
Traffic Expenses	849,839	162
Transportation Expenses	*14,553,587	2,771
General Expenses	1,185,269	226

Ratio of Operating Expenses to Operating Revenues 69.4 per cent.

\*After deducting \$113,053 Transportation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	30.1%	33.4%	24.9%	24.2%	24.5%	26.7%
For Traffic and Other Operating Expenses	37.6%	39.4%	39.6%	41.1%	39.5%	38.5%
For Fixed Charges	25.8%	33.4%	36.9%	34.3%	32.6%	32.9%
For Surplus	Deficit	Deficit	Deficit	0.4%	3.4%	2.5%
	1914-15	1913-14	1912-13	1911-12		
Ton miles per mile of road	590,422	575,716	595,001	517,969		
Passenger miles per mile of road	94,384	101,749	93,185	90,512		
Miles, second and additional main track	43	48	43	40		
Miles, yards and sidings	1,547	1,526	1,510	1,499		

See Notes, Page 440.

## ST. LOUIS SOUTHWESTERN RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1903-4	1,303	\$7,649,485	\$695,828	1908-10	1,473	\$10,996,516	\$953,186
1904-5	1,418	8,860,231	1,174,242	1910-11	1,487	11,888,037	*1,337,623
1905-6	1,451	8,989,564	697,065	1911-12	1,548	12,042,543	†1,617,619
1906-7	1,452	10,553,135	1,712,542	1912-13	11,609	13,296,960	†1,886,191
1907-8	1,464	9,585,046	450,244	1913-14	1,735	12,744,555	†335,771
1908-9	1,470	10,331,889	724,169	1914-15	1,754	10,627,861	†230,903

\*This surplus before deducting \$121,700 interest (4%) on Income Bonds, had this interest been included in Fixed Charges, Surplus would have amounted to \$1,315,823 against \$811,466 in 1908-10, \$602,469 in 1908-9, etc.

†This Surplus (or Deficit) after deducting \$121,700 interest on Income Bonds. †Includes 201 miles leased, and 241 miles operated under trackage rights.

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$10,356,100	*Fixed Interest	\$53,459,250
Preferred (5%)	19,898,650	Equipment	2,730,000
*Includes \$3,042,500 Second Mortgage 4% Income Bonds in hands of Public.			

Loans and Bills Payable, June 30, 1915, \$1,621,920.

## CAPITALIZATION

	Total	Per Mile
Stock	\$36,249,750	\$20,067
Bonds	56,189,250	23,035
Total	\$92,439,000	52,702
Fixed Charges below include \$727,586 for Rentals, \$57,868 for Hire of Equipment and \$121,700 Interest and Income Bonds.		

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,754.		
Operating Revenues	\$10,627,861	\$6,058
Operating Expenses	8,361,154	4,747
Net Operating Revenues	2,266,707	1,292
Other Income (including \$804,742 Hire of Equipment)	1,236,423	699
Gross Corporate Income	3,493,130	1,991
Fixed Charges (including for Taxes, \$581,778)	3,774,123	2,151
Deficit	280,903	160

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,535,884	\$904
Maintenance of Equipment	2,076,048	1,183
Traffic Expenses	450,245	267
Transportation Expenses	*3,679,328	2,098
Miscellaneous Operations and General Expenses	569,649	325

Ratio of Operating Expenses to Operating Revenues 78.7 per cent.

\*After deducting \$129,498 Transportation for Investment—Cr.

Other Income above includes \$245,515 from Rentals.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	30.9%	33.2%	28.7%	28.2%	31.1%	34.8%
For Traffic and Other Operating Expenses	39.7%	37.9%	35.5%	36.9%	38.0%	35.9%
For Fixed Charges	31.8%	26.5%	22.6%	22.4%	20.1%	21.2%
For Surplus	Deficit	2.4%	13.2%	12.5%	10.8%	8.1%

	1914-15	1913-14	1912-13	1911-12	1909-10
Ton miles per mile of road	426,203	473,430	541,842	539,803	
Passenger miles per mile of road	50,411	65,463	62,245	56,647	
Miles, second and additional main track	*125	118	110	.....	
Miles, yards and sidings	573	547	530	414	

\*Includes 110 miles operated under trackage rights.

See Notes, Page 445.

## THE EARNING POWER

## SAN ANTONIO &amp; ARANSAS PASS RY.

Year	Avg. Miles Oper.	Gross	Deficit	Year	Avg. Miles Oper.	Gross	Deficit
1913-14	724	\$4,648,197	\$391,244	1914-15	724	\$3,797,065	\$861,871

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common	\$1,000,000	Fixed Interest	\$17,544,000
		Equipment	607,819
		Notes	7,446,494

Debit Balance to Profit and Loss Account on June 30, 1915, was \$3,834,997.

## CAPITALIZATION

	Total	Per Mile
Stock	\$1,000,000	\$1,381
Bonds	26,598,313	35,357
Total	26,598,313	36,738

Fixed Charges below include \$4,705 for Rentals, and \$1,266 for Rent of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 724.		
Operating Revenues	\$3,797,065	\$5,245
Operating Expenses	3,620,006	5,000
Net Operating Revenues	177,060	245
Other Income (including \$3,317 Hire and Rent of Equipment)	21,543	30
Gross Corporate Income	198,598	275
Fixed Charges (including for Taxes, \$159,979)	1,060,464	1,465
Deficit	861,871	1,190

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$827,302	\$1,143
Maintenance of Equipment	731,511	1,010
Traffic Expenses	79,377	110
Transportation Expenses	*1,842,221	2,544
General Expenses	139,598	193

Ratio of Operating Expenses to Operating Revenues 95.3 per cent.  
 \*After deducting \$497 Transportation for Investment—Cr.  
 Other Income above includes \$12,618 from Joint Facility Rents.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses	40.8%
For Traffic and other Operating Expenses	54.0%
For Fixed Charges	27.8%
For Surplus	Deficit

	1914-15	1913-14
Ton miles per mile of road	214,704	267,143
Passenger miles per mile of road	56,625	76,283
Miles, yards and sidings	172	168

See Notes, Page 446.

TEXAS & PACIFIC RY.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1902	1,697	\$11,236,601	1909	1,886	\$14,960,653
1903	1,727	12,094,744	1910	1,886	16,376,806
1904	1,826	12,433,147	1911	1,886	16,139,029
1905	1,826	12,130,391	1911-12	1,886	16,973,223
1906	1,848	14,914,608	1912-13	1,886	18,078,783
1907	1,885	16,671,668	1913-14	1,886	18,652,686
1908	1,885	18,917,315	1914-15	*1,901	17,944,638

\*Includes 92 miles of trackage.

Note: Prior to 1911-12 the fiscal year was the calendar year.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
Common	\$38,763,810	Fixed Interest	\$30,677,163
Income Bonds (5%)	24,987,036	Equipment	1,263,000
Above items include \$339,000 Income Bonds and \$724,000 other bonds owned. Loans and Bills Payable, June 30, 1915, \$3,561,800.			

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$63,750,846	\$33,535
Bonds	31,040,163	16,802
Total	96,691,009	50,337

Fixed Charges below include \$156,566 for Rentals, \$527,762 for Hire of Equipment and \$5,331 loss—Separately Operated Properties.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,901.		
Operating Revenues	\$17,944,638	\$9,440
Operating Expenses	13,857,387	7,290
Net operating Revenues	4,087,251	2,150
Other Income (incl. \$83,871 Hire of Equipment)	283,872	149
Gross Corporate Income	4,371,123	2,299
Fixed Charges (including for Taxes, \$856,136)	3,774,296	1,975
*Surplus	996,827	524

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,956,172	\$1,029
Maintenance of Equipment	2,918,404	1,534
Traffic Expenses	445,170	234
Transportation Expenses	17,906,952	9,400
Miscellaneous Operations and General Expenses	632,629	333

Ratio of Operating Expenses to Operating Revenues 72.2 per cent.  
 \*This Surplus before deducting \$287,774 for Additions and Betterments and \$457,000 paid for Maturing Equipment Obligations. In the nine fiscal years to June 30, 1915, sums aggregating \$11,147,193 were similarly deducted from Surplus Income for Additions and Betterments and for Maturing Equipment Obligations Paid. After deducting \$12,357 Transportation for Investment—Cr.

Other Income above includes \$110,048 from Rentals.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1911	1910
For Maintenance Expenses	28.7%	27.6%	29.4%	27.7%	27.7%	29.8%
For Traffic and Other Operating Expenses	49.3%	48.0%	51.6%	50.0%	47.0%	44.7%
For Fixed Charges	18.5%	18.5%	15.8%	16.7%	16.7%	15.4%
For Surplus	5.5%	7.9%	3.2%	5.6%	8.6%	10.1%

	1914-15	1913-14	1912-13	1911-12	1911-12
Ton miles per mile of road	708,833	696,123	681,083	626,900	626,900
Passenger miles per mile of road	85,899	100,998	98,915	88,607	88,607
Miles, second and additional main track	45	51	51	51	51
Miles, yards and sidings	609	600	581	560	560

See Notes, Page 447.

## GREAT NORTHERN RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1911-2	5,249	\$36,032,256	\$14,526,521	1908-9	6,808	\$53,687,444	\$17,487,434
1902-3	5,490	40,785,647	15,496,022	1909-10	7,020	64,465,370	17,791,324
1903-4	5,623	40,057,353	14,171,678	1910-11	7,244	61,257,630	17,516,927
1904-5	5,723	43,526,088	16,587,643	1911-12	7,369	66,197,819	21,654,255
1905-6	5,906	51,276,280	20,452,698	1912-13	7,686	78,692,767	24,568,314
1906-7	5,982	55,144,402	18,771,580	1913-14	7,781	75,473,869	20,453,551
1907-8	*6,594	54,429,633	14,990,314	1914-15	8,061	67,162,858	20,618,270

\*Great Northern Ry. and properties formerly operated independently.

## STOCK OUTSTANDING

June 30, 1915.

*Preferred .....	\$29,477,633	†Fixed Interest .....	\$143,391,909
*Includes \$18,478,472 Stock sold at par to Stockholders in February, 1914 (final payment made November 16, 1914). †Includes all Bonds assumed but does not include \$37,276,000 Bonds in Treasury, \$14,100,000 Bonds held by Mortgage Trustees and \$107,613,500 Bonds—the Great Northern Ry.'s proportion (one-half) of the Great Northern-Northern Pacific Joint Bonds (C. B. & Q. Stock Collateral).			

## BONDS OUTSTANDING

June 30, 1915.

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$29,477,633	\$60,949
Bonds .....	143,391,909	17,769
Total .....	\$32,655,542	48,738
†Fixed Charges below include \$99,078 for Rentals and \$71,933 for Hire of Equipment.		

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 8,061.	Total	Per Mile
Operating Revenues .....	\$67,162,858	\$9,633
Operating Expenses .....	36,826,275	4,669
Net Operating Revenues .....	30,334,583	3,763
Other Income (including \$982,183 from Rentals).....	2,310,200	287
Gross Corporate Income .....	32,644,783	4,050
Fixed Charges (including for Taxes, \$4,629,668).....	12,026,513	1,498
*Surplus .....	20,618,270	2,558

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$8,270,354	\$1,026
Maintenance of Equipment .....	7,153,302	887
Traffic Expenses .....	1,167,538	145
Transportation Expenses .....	†18,164,144	2,254
Miscellaneous Operations and General Expenses .....	2,078,940	257

Ratio of Operating Expenses to Operating Revenues 54.8 per cent.

\*This Surplus before deducting \$1,000,000 Fund for Permanent Improvements and Betterments, \$256,332 for Renewal of Alloway Bay Ore Docks and \$275,000 Miscellaneous Appropriations. †After deducting \$90,886 Transportation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	22.2%	23.5%	26.4%	24.4%	27.0%	29.9%
For Traffic and Other Operating Expenses .....	30.8%	30.3%	29.5%	29.4%	31.5%	30.3%
For Fixed Charges .....	17.3%	15.3%	14.1%	15.3%	14.2%	13.5%
For Surplus .....	29.7%	26.9%	30.0%	30.9%	27.8%	27.0%

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
Ton miles per mile of road.....	649,852	662,628	993,226	845,123		
Passenger miles per mile of road....	71,331	83,744	78,796	74,844		
Miles, second and additional main track .....	241	233	224	201		
Miles, yards and sidings .....	2,149	2,106	2,014	1,579		

See Notes, Page 448.

# OF RAILROADS

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## MINNEAPOLIS & ST. LOUIS R. R.

Includes Des Moines & Ft. Dodge R. R. (138 miles), leased, and Iowa Central Ry. (559 miles) merged January 1, 1912. Combined Income Accounts are given for a period of years for the sake of comparison.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906-7	1,356	\$7,905,716	\$760,023	1911-12	1,536	\$7,954,116	*\$687,041
1907-8	1,568	6,823,991	324,179	1912-13	1,536	9,707,004	370,227
1908-9	1,585	7,186,968	*324,480	1913-14	1,646	9,620,884	*315,292
1909-10	1,585	8,306,672	61,272	1914-15	1,646	10,111,975	39,082
1910-11	1,586	8,605,554	69,867				

\*Deficit.

### \*STOCK OUTSTANDING

	June 30, 1915.
Common	\$15,205,790
Preferred (5%)	5,833,080

### †BONDS OUTSTANDING

	June 30, 1915.
†Fixed Interest	\$42,438,623
Equipment	967,750
**Notes (6%)	2,500,000

Bills payable, June 30, 1915, \$1,108,801.

\*Not including \$164,410 Common and \$84,440 Preferred Stocks in Treasury. †Includes Bonds of M. & St. L. R. R. and Iowa Central Ry. (merged), also \$3,072,000 4% Bonds and \$80,000 5% Bonds (net amount outstanding in the hands of the public) of the Des Moines & Ft. Dodge R. R. ‡\$7,617,472 additional bonds held by Company and pledged. \*\*Matured February 1, 1916; to be paid off with part of proceeds from Assessment on Stock (see Notes).

### CAPITALIZATION

	Total	Per Mile
Stock	\$21,038,880	\$12,782
Bonds	45,946,378	27,914
Total	66,985,258	40,696

Fixed Charges below include \$154,684 for Rentals, \$392,684 for Hire of Equipment and \$147,522 Surplus from Operations of D. M. & Ft. D. R. R., payable under Lease.

### INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,646.		
Operating Revenues	\$10,111,975	\$6,143
Operating Expenses	6,808,594	4,154
Net Operating Revenues	3,303,381	1,949
Other Income (including \$191,650 from Rentals)	249,016	151
Gross Corporate Income	3,457,397	2,100
Fixed Charges (including for Taxes, \$465,177)	3,413,315	2,076
Surplus	39,082	24

### OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,167,393	\$709
Maintenance of Equipment	1,983,529	841
Traffic Expenses	214,068	130
Transportation Expenses	3,886,942	2,361
Miscellaneous Operations and General Expenses	251,673	153
Ratio of Operating Expenses to Operating Revenues	68.3 per cent.	

### APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses	24.6%	27.9%	24.9%	26.7%
For Traffic and Other Operating Expenses	42.0%	42.9%	43.1%	49.9%
For Fixed Charges	33.0%	32.4%	28.3%	31.7%
For Surplus	0.4%	Deficit	3.7%	Deficit
	100.0%		100.0%	

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	531,574	516,390	571,209	476,716
Passenger miles per mile of road	58,896	58,101	55,313	53,063
Miles, second and additional main track	24	24	24	24
Miles, yards and sidings	352	362	344	340

See Notes, Page 454.



## MINNEAPOLIS, ST. PAUL &amp; SAULT STE. MARIE RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1901-2	1,396	\$9,222,388	\$1,586,501	1908-9	2,360	\$12,329,755	\$2,533,645
1902-3	1,464	7,237,264	1,664,497	1909-10	2,461	15,060,237	4,400,442
1903-4	1,530	6,963,498	1,337,246	1910-11	2,639	12,813,188	1,831,427
1904-5	1,774	8,716,622	2,063,415	1911-12	2,741	16,770,700	4,224,290
1905-6	2,020	11,574,462	3,267,686	1912-13	2,915	20,968,554	5,527,415
1906-7	2,232	12,892,078	2,608,686	1913-14	2,982	18,274,379	2,853,502
1907-8	2,304	11,509,867	2,000,869	1914-15	*3,044	17,817,875	2,974,004

\*Does not include Chicago Division (Wisconsin Central Ry.) 1,120 miles operated.

## STOCK OUTSTANDING

June 30, 1915.

Common	\$25,206,800
*Preferred (7%)	12,603,400

\*Shares with Common Stock in Dividends beyond 7%. †Does not include \$11,169,600 4% Leased Line Stock Certificates issued for and subject to cancellation on or before 2006 by return of Wisconsin Central Ry. Preferred Stock, an equivalent amount of which stock is held. Likewise does not include \$6,000,000 Central Terminal Ry. 4% Bonds (see Note.)

## BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	†\$71,436,000
Equipment	6,075,450

## CAPITALIZATION

	Total	Per Mile
Stock	\$37,810,200	\$13,421
Bonds	77,511,450	26,463
Total	115,321,650	37,884

Fixed Charges below include \$151,800 for Rentals, and \$446,784 Interest on W. C. Ry. Leased Line Certificates.

Other Income below includes \$465,328 Dividends from Stock owned (mostly from Wisconsin Central Ry. Stock). Other Income includes also \$275,996 from Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 3,044.		
Operating Revenues	\$17,817,855	\$5,853
Operating Expenses	11,068,594	3,633
Net Operating Revenues	6,758,261	2,220
Other Income (including \$76,735 from Rentals)	1,043,965	345
Gross Corporate Income	7,802,226	2,563
Fixed Charges (including for Taxes, \$1,135,439)	4,828,223	1,586
Surplus	2,974,004	977

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,096,306	\$689
Maintenance of Equipment	2,724,086	895
Traffic Expenses	337,332	111
Transportation Expenses	*5,517,080	1,812
Miscellaneous Operations and General Expenses	884,840	286

Ratio of Operating Expenses to Operating Revenues 62.1 per cent.

\*After deducting \$71,436 Transportation for Investment—Cr.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	25.5%	28.0%	22.3%	20.8%	23.5%	18.6%
For Traffic and Other Operating Expenses	33.1%	33.1%	31.4%	31.3%	35.5%	30.4%
For Fixed Charges	25.6%	24.3%	21.2%	24.3%	27.8%	23.4%
For Surplus	15.8%	14.6%	26.1%	23.6%	13.2%	27.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	501,327	549,249	711,014	603,085
Passenger miles per mile of road	61,736	70,649	67,978	61,685
Miles, second and additional main track				4
Miles, yards and sidings				532

See Notes, Page 458.

**WISCONSIN CENTRAL RY.**

(Minneapolis, St. Paul & Sault Ste. Marie Ry.—Chicago Division.)

Avg. Miles		Gross		Surplus		Year		Avg. Miles		Gross		Surplus			
Year	Oper.			Year	Oper.			Year	Oper.			Year	Oper.		
1901-2	978	\$6,041,470	\$480,104	1908-9	978	\$7,494,395	\$448,043	1909-10	1,078	8,861,881	827,144	1910-11	1,086	8,749,453	1,231,279
1902-3	978	6,651,862	724,072	1911-12	1,091	9,493,297	604,650	1912-13	1,092	10,796,223	1,093,350	1913-14	1,123	10,501,255	517,696
1903-4	977	6,466,176	424,247	1914-15	1,120	9,945,370	136,732								
1904-5	977	6,650,884	555,844												
1905-6	977	7,113,576	802,188												
1906-7	1,018	7,577,179	1,063,456												
1907-8	1,023	7,307,311	351,009												

\*Includes 108 miles of trackage (of which 58 miles Soo Line trackage).  
†Deficit.

**\*STOCK OUTSTANDING**

**BONDS OUTSTANDING**

June 30, 1915.		June 30, 1915.	
Common	\$16,119,600	†Fixed Interest	\$37,980,000
Preferred (4%)	11,265,300	Equipment	2,082,666
		Notes (5%) due 1918	1,000,000

\*Does not include \$1,380,400 Common Stock and \$1,234,700 Preferred Stock in Treasury. †Does not include \$3,468,000 Bonds in Treasury of which \$1,500,000 are pledged.

**CAPITALIZATION**

	Total	Per Mile
Stock	\$27,384,900	\$24,451
Bonds	41,062,666	36,663
Total	68,447,566	61,114

Fixed Charges below include \$657,400 for Rentals of Terminals, and \$134,502 for Hire of Equipment.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

Average miles operated, 1,120.	Total	Per Mile
Operating Revenues	\$9,945,370	\$8,880
Operating Expenses	6,751,780	6,029
Net Operating Revenues	3,193,590	2,861
Other Income (including \$32,292 from Rentals)	61,281	55
Gross Corporate Income	3,254,871	2,906
Fixed Charges (including for Taxes, \$667,614)	3,118,189	2,784
Surplus	136,732	122

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	\$1,211,190	\$1,082
Maintenance of Equipment	1,252,717	1,119
Traffic Expenses	260,189	232
Transportation Expenses	*3,725,485	3,326
Miscellaneous Operations and General Expenses	302,199	270

Ratio of Operating Expenses to Operating Revenues 67.9 per cent.

\*After deducting \$8,930 Transportation for Investment—Cr.

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	24.6%	24.5%	23.7%	24.8%	25.8%	25.1%
For Traffic and Other Operating Expenses	42.8%	42.1%	41.7%	43.8%	48.4%	40.3%
For Fixed Charges	31.2%	28.5%	24.5%	26.1%	28.4%	25.2%
For Surplus	1.4%	4.9%	10.1%	5.3%	Deficit	9.5%
	100.0%	100.0%	100.0%	100.0%		100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	927,005	1,023,866	1,158,929	973,799
Passenger miles per mile of road	94,311	105,835	99,992	91,763
Miles, second and additional main track				55
Miles, yards and sidings				563

See Notes, Page 459.

## MONTANA, WYOMING &amp; SOUTHERN R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1913-14	82	\$179,386	\$21,880	1914-15	82	\$171,700	\$18,060

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common	\$1,000,000	Fixed Interest	\$890,000
		Equipment	50,970

## CAPITALIZATION

	Total	Per Mile
Stock	\$1,000,000	\$31,250
Bonds	940,570	29,353
Total	1,940,570	60,643

Fixed Charges below include \$1,610 for Hire of Equipment.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 82.	Total	Per Mile
Operating Revenues	\$171,700	\$5,366
Operating Expenses	97,637	3,062
Net Operating Revenues	74,063	2,314
Other Income	198	6
Gross Corporate Income	74,261	2,320
Fixed Charges (including for Taxes, \$7,189)	56,181	1,756
*Surplus	18,050	565

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$22,090	\$690
Maintenance of Equipment	24,203	756
Traffic Expenses	448	14
Transportation Expenses	33,117	1,035
General Expenses	17,809	557

Ratio of Operating Expenses to Operating Revenues 66.9 per cent.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses	26.9%
For Traffic and Other Operating Expenses	29.9%
For Fixed Charges	32.7%
For Surplus	10.5%
	100.0%

See Notes, Page 461.

**NORTHERN PACIFIC RY.**

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1906-7	5,262	\$46,524,574	\$15,226,311	1906-10	5,765	\$74,525,526	\$22,298,269
1907-8	5,315	50,722,536	17,126,242	1910-11	5,950	64,912,862	20,442,266
1908-9	5,401	61,223,475	22,487,740	1911-12	6,025	63,423,987	19,968,515
1909-10	5,443	63,534,332	23,473,929	1912-13	6,260	73,676,189	21,663,618
1910-11	5,528	63,235,484	22,969,951	1913-14	6,325	68,544,502	19,655,247
1908-9	5,671	68,460,747	24,907,766	1914-15	6,461	63,171,663	18,822,320

**STOCK OUTSTANDING**

June 30, 1915.

\*Common .....\$247,946,000 †Fixed Interest .....\$207,750,000

\*Does not include \$54,000 Stock in Treasury. †Includes assumed Bonds of other Companies, but does not include \$7,878,500 Bonds held in Treasury and \$107,813,500 (Company's proportion—one-half) Northern Pacific—Great Northern Joint 4% Bonds (C. B. & Q. Stock Collateral), \$1,271,000 of latter Bonds are owned by the Northern Pacific Ry.

**CAPITALIZATION**

	Total	Per Mile
Stock .....	\$247,946,000	\$38.375
Bonds .....	207,750,000	32.154
Total .....	455,696,000	70.529

Fixed Charges below include \$550,236 for Rentals, and \$118,532 for Hire of Equipment. Fixed Charges do not include \$4,304,540 Interest on C. B. & Q. Stock Collateral Bonds, and Other Income does not include a like sum representing Dividends received from C. B. & Q. Stock.

**INCOME ACCOUNT YEAR ENDING JUNE 30, 1915**

Average miles operated, 6,461	Total	Per Mile
Operating Revenues .....	\$68,171,653	\$9.777
Operating Expenses .....	37,168,049	5.743
Net Operating Revenues .....	26,068,604	4.034
Other Income (including \$933,985 Hire of Equipment) .....	6,138,419	.950
Gross Corporate Income .....	32,203,023	4.984
Fixed Charges (including for Taxes, \$4,470,959) .....	13,379,203	2.071
Surplus .....	18,822,320	2.913

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way .....	\$8,523,657	\$1.319
Maintenance of Equipment .....	7,317,074	1.133
Traffic Expenses .....	1,191,567	.184
Transportation Expenses .....	*18,031,701	2.791
Miscellaneous Operations and General Expenses .....	2,044,050	.316

Ratio of Operating Expenses to Operating Revenues 68.7 per cent.

\*After deducting \$955,355 Transportation for Investment—Cr. Other Income above includes \$2,479,346 from Rentals, and \$89,195 Profit—Separately Operated Properties.

**APPROPRIATION OF GROSS INCOME**

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	22.9%	23.4%	24.1%	21.9%	22.6%	25.1%
For Traffic and Other Operating Expenses .....	30.7%	32.3%	33.4%	33.6%	33.6%	33.1%
For Fixed Charges .....	19.3%	17.9%	14.7%	15.9%	14.9%	13.6%
For Surplus .....	27.1%	26.4%	27.8%	28.6%	28.9%	28.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road .....	799,345	890,016	995,554	838,370
Passenger miles per mile of road .....	92,907	107,869	105,674	107,802
Miles, second and additional main track .....	699	636	634	624
Miles, yards and sidings .....	2,861	2,813	2,702	2,580

See Notes, Page 461.

### SPOKANE & INLAND EMPIRE R. R.

(Includes Railway and Traction Lines.)

Year	Avg. Miles		Surplus	Year	Avg. Miles		Surplus
	Oper.	Gross			Oper.	Gross	
1907-8	182	\$1,118,018	\$106,193	1911-12	208	\$1,632,509	\$448,901
1908-9	201	1,269,101	145,498	1912-13	213	1,616,782	\$78,589
1909-10	207	1,763,614	319,905	1913-14	212	1,631,651	\$150,679
1910-11	208	1,669,638	1844	1914-15	*213	†1,243,325	\$287,794

\*Includes Spokane Traction Co. (36 miles). †Includes \$498,978 Earnings Street Railway System (1913-14, \$541,613; 1912-13, \$550,046; 1911-12, \$545,529; 1910-11, \$549,111). On like basis of accounting Gross for 1913-14 was, \$1,404,469. †Deficit.

#### STOCK OUTSTANDING

June 30, 1915.

Common	\$10,000,000
*Pfd. Rights (5%)	6,409,100

\*Cumulative; shares pro rata with Common Stock in all Dividends up to 7% (see Notes). †Non-Negotiable Debt to Affiliated Companies represented by Notes, \$4,670,500; Open Accounts, \$280,255; Interest Accrued, \$229,430.

#### BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	\$4,670,500
†Other Debt	4,977,545

#### CAPITALIZATION

	Total	Per Mile
Stock	\$16,409,100	\$77,402
Bonds	9,648,045	45,510
Total	26,057,145	122,912

Fixed Charges below include \$231,225 Interest on Unfunded Debt.

#### INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

(Includes all Railway and Traction Lines Operated.)

	Total	Per Mile
Average miles operated, 212.		
Operating Revenues	\$1,243,325	\$5,865
Operating Expenses	1,067,284	5,034
Net Operating Revenues	176,041	831
Other Income (including \$152,280 [net] Auxiliary Operations)	154,737	730
Gross Corporate Income	330,778	1,561
Fixed Charges (including for Taxes, \$150,000)	618,572	2,918
Deficit	287,794	1,357

#### OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$239,443	\$1,129
Maintenance of Equipment	195,378	922
Traffic Expenses	18,937	89
Transportation Expenses (including Power)	487,142	2,298
Miscellaneous Operations and General Expenses	126,384	596

Ratio of Operating Expenses to Operating Revenues 85.8 per cent.

#### APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	31.1%	25.5%	25.1%	23.9%	23.4%	22.4%
For Traffic and Other Operating Expenses	45.2%	43.7%	42.8%	42.9%	43.2%	38.9%
For Fixed Charges	44.2%	39.4%	37.0%	36.1%	28.4%	20.5%
For Surplus	Deficit	Deficit	Deficit	Deficit	0.0%	18.2%
					100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Miles, second and additional main track	30	30	30	30
Miles, yards and sidings	49	48	48	48

See Notes, Page 464.

TACOMA EASTERN R. R.

Avg. Miles			Avg. Miles				
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	57	\$188,502	*\$2,158	1910-11	91	\$582,916	\$18,961
1905-6	61	273,941	49,316	1911-12	92	567,833	*8,550
1906-7	77	409,529	46,289	1912-13	92	669,998	40,901
1907-8	88	316,787	*28,335	1912-14	92	581,266	*11,378
1908-9	88	365,520	5,856	1914-15	93	405,162	*110,248
1909-10	88	545,360	67,321				

\*Deficit.

STOCK OUTSTANDING

June 30, 1915.

BONDS OUTSTANDING

June 30, 1915.

Common	\$750,000	Fixed Interest	\$884,000
Preferred (6%)	750,000	*Advances	3,049,407

\*Received from Chicago, Milwaukee & St. Paul Ry. for Construction, Equipment and Betterments.

CAPITALIZATION

	Total	Per Mile
Stock	\$1,500,000	\$18,129
Bonds	3,933,407	42,236
Total	5,433,407	58,424

Fixed Charges below include \$900 for Rentals, \$29,391 Non-Operating Property Expenses and \$140,167 Interest paid C. M. & St. P. Ry.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 93.		
Operating Revenues	\$405,162	\$4,357
Operating Expenses	322,060	3,463
Net Operating Revenues	83,112	894
Other Income (including \$23,289 from Rentals)	70,288	756
Gross Corporate Income	153,398	1,650
Fixed Charges	263,646	2,835
Deficit	110,248	1,185

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$42,689	\$459
Maintenance of Equipment	100,565	1,061
Traffic Expenses	3,264	35
Transportation Expenses	*159,545	1,716
General Expenses	15,987	172

Ratio of Operating Expenses to Operating Revenues 79.5 per cent.

\*After deducting \$386 Transportation for Investment—Cr.

Other Income above includes \$46,658 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	30.1%	31.1%	30.5%	32.0%	28.0%	24.9%
For Traffic and Other Operating Expenses	37.6%	39.4%	36.9%	38.2%	41.8%	36.9%
For Fixed Charges	55.4%	31.3%	26.7%	31.2%	27.9%	26.1%
For Surplus	Deficit	Deficit	5.9%	Deficit	2.3%	12.1%
			100.0%		100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	223,064	297,455	320,064	261,900
Passenger miles per mile of road	20,449	33,870	38,414	34,688
Miles, yards and sidings	35	34	33	33

See Notes, Page 466.

## UNION PACIFIC R. R.

Year	Avg. Miles		*Gross	Surplus	Year	Avg. Miles		*Gross	Surplus
	Oper.					Oper.			
1904-2	5,711		\$40,639,629	\$14,501,594	1908-9	6,062		\$77,360,429	\$41,598,401
1905-3	5,762		50,216,248	15,276,150	1909-10	6,296		88,506,465	45,506,890
1906-4	5,853		54,264,878	16,596,548	1910-11	6,678		97,201,971	39,975,761
1907-5	5,858		53,756,845	22,738,953	1911-12	7,150		84,190,097	34,039,998
1908-6	5,404		68,879,142	31,764,406	1912-13	7,349		91,810,307	36,777,106
1909-7	5,645		75,651,105	36,176,889	1913-14	7,597		96,308,752	33,068,944
1907-8	5,781		74,422,777	35,719,400	1914-15	7,784		106,958,295	28,404,359

\*Does not include Earnings from Water Lines. Figures stated to conform with elimination of I. C. C. effective July 1, 1914; on like basis gross for 1913-14 was \$91,845,305.

## STOCK OUTSTANDING

June 30, 1915.

Common	\$322,292,100
Preferred (4%)	99,643,500

\*Does not include \$108,391,500 System Bonds owned by System Companies (unpledged) includes \$26,835,225 Bonds (4%) convertible into Common Stock at \$175 per Share.

## BONDS OUTSTANDING

June 30, 1915.

*Fixed Interest	\$334,022,265
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## CAPITALIZATION

	Total	Per Mile
Stock	\$321,836,600	\$41,346
Bonds	334,022,265	42,911
Total	655,858,865	84,257

Fixed Charges below include \$1,154,389 for Rentals.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Union Pacific R. R., Oregon Short Line R. R., Oregon-Washington R. R. & Navigation Co.

Average miles operated, 7,784.	Total	Per Mile
Operating Revenues	\$88,958,295	\$11,171
Operating Expenses	52,136,715	6,698
Net Operating Revenues	34,821,580	4,473
Other Income (including \$1,068,035 from Rentals)	13,303,161	1,709
Gross Corporate Income	48,124,741	6,182
Fixed Charges (including for Taxes, \$4,641,474)	19,720,532	2,532
*Surplus	28,404,359	3,650

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$10,900,925	\$1,400
Maintenance of Equipment	12,101,212	1,555
Traffic Expenses	2,061,971	265
Transportation Expenses (including Water Line)	122,947,999	15,648
Miscellaneous Operations and General Expenses	4,124,608	530

Ratio of Operating Expenses to Operating Revenues 60.0 per cent.  
\*This Surplus before deducting \$1,083,459 for Additions and Betterments, and \$11,800 for Sinking Fund. (After deducting \$160,142 Transportation for Investment—Cr.)

Other Income above includes \$103,661 from Hire of Equipment, \$7,423,485 Interest on Loans, Open Accounts, Bonds and Notes owned (\$7,063,130 in 1913-14) and \$4,540,094 Dividends on Stocks owned (\$9,258,794 in 1913-14); see Notes.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	22.9%	21.2%	19.3%	18.8%	18.6%	17.6%
For Traffic and Other Operating Expenses	26.1%	28.2%	27.7%	28.3%	26.7%	24.2%
For Fixed Charges	19.7%	20.0%	19.0%	19.9%	16.8%	16.1%
For Surplus	28.3%	30.6%	33.1%	33.0%	37.9%	42.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	771,035	812,005	854,950	798,647
Passenger miles per mile of road	107,224	118,804	122,880	125,706
Miles, second and additional main track	1,097	1,046	890	884
Miles, yards and sidings	2,433	2,424	2,345	2,279

See Notes, Page 466.

SOUTHERN PACIFIC CO.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1903-4	9,025	88,910,506	\$9,593,214	1909-10	9,752	\$124,523,905	†\$31,912,633
1904-5	9,133	89,403,633	13,124,415	1910-11	9,895	121,911,023	27,106,788
1905-6	9,192	96,123,550	19,913,371	1911-12	9,970	120,433,056	22,578,188
1906-7	9,401	117,331,812	28,911,816	1912-13	10,311	130,353,693	26,867,807
1907-8	9,506	113,545,567	20,761,890	1913-14	10,423	126,614,537	20,452,216
1908-9	9,626	110,346,404	27,747,213	1914-15	10,554	*122,865,675	220,570,819

\*Includes Revenues from Outside Operations not previously included; on same basis Gross for 1913-14 was \$138,520,259. †Does not include \$4,590,000 extra Dividends received from Wells-Fargo & Co. Stock owned. ‡Before appropriations (\$939,725) to Sinking Funds, etc., deducted; figures for previous years after such deduction.

STOCK OUTSTANDING

(Southern Pacific Co.)  
June 30, 1915.

Common .....\$274,674,406

\*BONDS OUTSTANDING

(So. Pac. Co. and Proprietary Co.'s.)  
June 30, 1915.

Fixed Interest .....\$571,079,000  
Equipment .....11,075,000

\*Includes \$81,151,910 4% Bonds convertible into Stock at 130 to June 1, 1919, and \$54,531,000 5% Bonds convertible into stock at par to June 1, 1924. Does not include \$71,217,850 bonds held by Southern Pacific Co. and Proprietary Co.'s and \$9,793,000 Bonds held alive in Sinking Funds; likewise \$17,544,000 Guaranteed First Mortgage 4% Bonds of the San Antonio & Aransas Pass R. R. and \$8,298,000 First Refunding 4% Bonds of the Los Angeles Pacific Co. are not included.

CAPITALIZATION

	Total	Per Mile
Stock .....	\$274,674,406	\$26,028
Bonds .....	582,154,317	56,159
Total .....	856,828,723	\$1,185

Fixed Charges below include \$1,724,685 for Rentals, \$329,118 for Hire of Equipment and \$237,541 Amortization of Discount on Funded Debt.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 10,554.		
Operating Revenues .....	\$129,865,675	\$12,316
Operating Expenses .....	87,763,842	8,315
Net Operating Revenues .....	42,111,833	3,990
Other Income (including \$506,375 Hire of Equipment) .....	17,791,564	1,686
Gross Corporate Income.....	59,903,397	5,676
Fixed Charges (including for Taxes, \$6,371,273) .....	39,333,078	3,727
*Surplus .....	20,570,319	1,949

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$15,356,356	\$1,455
Maintenance of Equipment .....	19,815,973	1,878
Traffic Expenses .....	2,915,010	276
Transp't'n Expenses (incl. \$5,324,347 Water Lines).....	†43,679,619	4,139
Miscellaneous Operations and General Expenses .....	5,986,884	567

Ratio of Operating Expenses to Operating Revenues 67.6 per cent.  
\*This Surplus before deducting \$939,725 Income applied to Sinking and other Reserve Funds. †After deducting \$327,134 Transportation for Investment—Cr.

Other Income above includes \$1,311,344 from Rentals, \$878,551 Income from Sinking and other Reserve Funds, \$4,478,250 Dividend Income and \$10,240,711 Income from Funded and Unfunded Securities and Accounts.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	23.8%	24.7%	24.3%	23.8%	24.2%	24.3%
For Traffic and Other Operating Expenses .....	35.6%	33.7%	32.9%	34.6%	33.6%	31.6%
For Fixed Charges .....	28.7%	27.2%	23.4%	24.2%	21.2%	19.5%
For Surplus .....	13.9%	14.4%	19.4%	17.4%	21.0%	24.3%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road .....	623,894	670,497	681,729	615,843
Passenger miles per mile of road.....	157,529	167,816	172,055	173,322
Miles, second, etc., main track .....	552	507	425	386
Miles, yards and sidings .....	3,838	3,789	3,675	3,536

See Notes, Page 474.



## NEVADA-CALIFORNIA-OREGON RY.

Year	*Avg. Miles			Year	*Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1902-3	144	\$196,298	\$51,324	1909-10	184	\$447,857	\$183,575
1903-4	144	194,835	48,313	1910-11	184	338,967	41,274
1904-5	144	219,769	74,139	1911-12	217	398,590	56,457
1905-6	144	229,128	75,048	1912-13	238	403,979	36,004
1906-7	144	267,306	120,140	1913-14	238	267,260	115,856
1907-8	158	326,668	132,448	1914-15	254	377,749	116,622
1908-9	176	406,668	188,841				

\*Narrow Gauge. †Deficit. ‡Before applying \$13,795 account of Sinking Fund. In previous years Sinking Fund payments were included in Fixed Charges.

STOCK OUTSTANDING		BONDS OUTSTANDING	
June 30, 1915.		June 30, 1915.	
Common	\$1,450,000	*Fixed Interest	\$1,235,000
Preferred. (5%)	750,000		
*Does not include \$137,000 Bonds in Treasury.			

CAPITALIZATION		
	Total	Per Mile
Stock	\$2,200,000	\$8,662
Bonds	1,235,000	4,862
Total	3,435,000	13,524
Fixed Charges below include \$193 for Rentals, and \$790 Discount on Bonds.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915		
	Total	Per Mile
Average miles operated, 254.		
Operating Revenues	\$377,749	\$1,487
Operating Expenses	367,559	1,447
Net Operating Revenues	10,190	40
Other Income	2,579	10
Gross Corporate Income	12,769	50
Fixed Charges (including for Taxes, \$21,509)	81,391	320
*Deficit	68,622	270

OPERATING EXPENSES		
	Total	Per Mile
Maintenance of Way	\$154,425	\$608
Maintenance of Equipment	48,758	192
Traffic Expenses	8,092	32
Transportation Expenses	129,475	510
General Expenses	26,809	105

Ratio of Operating Expenses to Operating Revenues 97.3 per cent.  
 \*This Deficit before applying \$13,795 account of Sinking Fund.  
 Other Income above includes \$538 from Rentals and \$932 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME.						
	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	53.4%	42.3%	33.0%	36.7%	40.8%	23.5%
For Traffic and Other Operating Expenses	43.2%	37.8%	36.6%	30.1%	29.0%	24.0%
For Fixed Charges	21.4%	24.2%	21.6%	19.1%	18.4%	11.6%
For Surplus	Deficit	Deficit	8.8%	14.1%	11.8%	40.9%
			100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	21,536	23,775	22,350	22,508
Passenger miles per mile of road	7,601	8,500	11,088	11,313

See Notes, Page 480.

TONOPAH & GOLDFIELD R. R.

Year	Avg. Miles		Gross	*Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1906-7	106		\$2,386,574	\$96,058	1911-12	110		\$760,442	\$126,634
1907-8	106		1,517,577	198,738	1912-13	119		696,348	173,537
1908-9	109		910,019	26,529	1913-14	119		683,830	109,905
1909-10	109		789,205	27,734	1914-15	110		682,714	158,607
1910-11	109		788,977	65,189					

\*After deducting Sinking Fund payments. See below.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Common .....	\$1,850,000	*Fixed Interest .....	\$377,000
Preferred (7%) .....	500,000		

\*Does not include \$350,000 Bonds in Treasury.

CAPITALIZATION

	Total	Per Mile
Stock .....	\$2,150,000	\$19,545
Bonds .....	377,000	3,427
Total .....	2,527,000	22,972

Fixed Charges below include \$4,652 for Rentals, \$11,652 for Hire of Equipment and \$103,190 Sinking Fund Payments.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 110.		
Operating Revenues .....	\$682,714	\$6,206
Operating Expenses .....	364,243	3,331
Net Operating Revenues .....	318,471	2,895
Other Income (including \$6,224 Hire of Equipment) ..	25,509	232
Gross Corporate Income .....	343,980	3,127
Fixed Charges (including for Taxes, \$39,650) .....	185,673	1,688
Surplus .....	158,307	1,439

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$65,483	\$595
Maintenance of Equipment .....	73,648	715
Traffic Expenses .....	21,506	195
Transportation Expenses .....	155,216	1,508
General Expenses .....	32,790	298

Ratio of Operating Expenses to Operating Revenues 53.3 per cent.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses ..	29.3%	27.7%	22.0%	26.9%	27.3%	23.6%
For Traffic and Other Operat- ing Expenses .....	31.1%	30.4%	39.9%	33.0%	43.5%	50.2%
For Fixed Charges .....	26.2%	26.5%	23.1%	21.1%	21.0%	22.7%
For Surplus .....	22.4%	15.4%	25.0%	19.0%	8.2%	3.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

See Notes, Page 481.

## THE EARNING POWER

## COPPER RANGE R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1911	187	\$717,713	\$59,438	1913	133	\$575,085	\$17,048
1912	187	754,985	103,775	1914	133	601,643	25,274

\*Deficit.

## STOCK OUTSTANDING

## BONDS OUTSTANDING

December 31, 1914.		December 31, 1914.	
Common	\$4,244,300	Fixed Interest	\$2,280,000
Notes Payable, December 31, 1914,	\$40,000.		

## CAPITALIZATION

	Total	Per Mile
Stock	\$4,244,300	\$30,756
Bonds	2,280,000	16,522
Total	6,524,300	47,278

Fixed Charges below include \$6,998 for Rentals, etc.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	(1915)	Total	Per Mile
Average miles operated, 138.			
Operating Revenues	\$811,347	\$601,643	\$4,360
Operating Expenses	484,451	414,664	3,005
Net Operating Revenues	326,896	186,979	1,355
Other Income	2,872	8,278	60
Gross Corporate Income	329,768	195,257	1,415
Fixed Charges (including for Taxes)	\$48,985	169,983	1,232
Surplus	279,781	25,274	188

## OPERATING EXPENSES

	(1915)	Total	Per Mile
Maintenance of Way	\$97,181	\$89,893	\$648
Maintenance of Equipment	111,883	51,505	389
Traffic Expenses	20,963	19,226	149
Transportation Expenses	224,517	206,437	1,496
General Expenses	20,108	18,513	133

Ratio of Operating Expenses to Operating Revenues 68.9 per cent.

## APPROPRIATION OF GROSS INCOME

For Maintenance Expenses	28.0%	31.4%
For Traffic and Other Operating Expenses	40.0%	42.8%
For Fixed Charges	27.9%	28.8%
For Surplus	4.1%	Deficit
	100.0%	

Miles, yards and sidings ..... 1914  
17

See Notes, Page 481.

DULUTH, SOUTH SHORE & ATLANTIC RY.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1901-2	575	\$2,690,569	1908-9	598	\$2,719,338
1902-3	574	2,772,135	1909-10	606	3,302,147
1903-4	579	2,524,612	1910-11	609	3,148,818
1904-5	586	2,706,936	1911-12	621	3,152,475
1905-6	593	3,057,809	1912-13	626	3,412,832
1906-7	591	3,311,878	1913-14	627	3,412,575
1907-8	595	2,921,916	1914-15	*627	2,938,597

\*Includes 2 1/2 miles of trackage.

STOCK OUTSTANDING,

June 30, 1915.

Common	\$12,000,000
Preferred (6%)	10,000,000
*Income Bonds (4%)	3,000,000
*Matured December 31, 1912, and not paid; held by Canadian Pacific Ry. †Non-Negotiable Debt to Affiliated Companies—Canadian Pacific Ry.	

BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	\$20,000,000
Equipment	360,000
*Other	950,000

The Balance Sheet as of June 30, 1915, showed Matured Interest Unpaid (due Canadian Pacific Ry.) \$8,637,915. The Debit to Profit and Loss on June 30, 1915, was \$6,062,325.

CAPITALIZATION

	Total	Per Mile
Stock	\$25,000,000	\$39,872
Bonds	21,310,000	38,987
Total	46,310,000	78,869

Fixed Charges below include \$36,730 for Rentals, \$4,263 for Hire and Rent of Equipment and \$16,048 Loss from Mackinac Transportation Co.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 627.		
Operating Revenues	\$2,938,597	\$4,687
Operating Expenses	2,401,835	3,831
Net Operating Revenues	536,762	856
Other Income (including \$21,145 from Rentals)	40,767	65
Gross Corporate Income	577,529	921
Fixed Charges (including for Taxes, \$197,313)	1,134,612	1,809
*Deficit	557,083	888

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$670,978	\$911
Maintenance of Equipment	428,748	681
Traffic Expenses	95,361	152
Transportation Expenses	1,141,875	1,821
Miscellaneous Operations and General Expenses	166,873	266

Ratio of Operating Expenses to Operating Revenues 81.7 per cent.

\*Deficit for 1913-14 was \$550,989.

Other Income above includes \$9,535 from Rent of Equipment.

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	33.5%	35.6%	32.7%	29.3%	27.2%	26.4%
For Traffic and Other Operating Expenses	47.1%	44.7%	46.2%	45.7%	43.5%	40.9%
For Fixed Charges	38.1%	35.8%	36.6%	36.3%	36.2%	43.1%
For Surplus	Deficit	Deficit	Deficit	Deficit	Deficit	Deficit

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	331,416	414,982	415,720	371,209
Passenger miles per mile of road	54,119	71,888	63,104	60,877

See Notes, Page 482.

## CANADIAN NORTHERN RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1902-3	1,236	\$2,449,579	.....	1908-9	3,013	\$10,581,768	\$684,571
1903-4	1,349	3,242,703	\$316,402	1909-10	3,179	13,633,062	1,002,342
1904-5	1,586	4,190,212	416,768	1910-11	3,383	16,860,712	927,917
1905-6	2,064	5,903,755	713,574	1911-12	3,888	20,860,094	1,065,452
1906-7	2,509	8,250,198	1,041,488	1912-13	4,297	24,277,478	1,580,046
1907-8	2,866	9,709,463	642,848	1913-14	4,563	28,781,329	1,434,510

## STOCK OUTSTANDING

June 30, 1914.

Common	\$77,000,000
Income Convertible Debenture Stock (5%)	25,000,000

## BONDS OUTSTANDING

June 30, 1914.

*Bonds and Stocks	\$54,915,118
Debenture Stock (4%)	48,464,716
Equipment	22,023,500
Notes	15,423,333
Land Grant Bonds	12,387,412
**Loans Payable	14,968,487

\*Guaranteed by Government. †Secured by Collateral. ‡Company holds among Assets \$9,892,748 Cash, Deferred Payments and Interest on Land Sales. \*\*Secured by Securities guaranteed by Government.

## CAPITALIZATION

	Total	Per Mile
Stock and Income Stock	\$102,000,000	\$22,354
Bonds	164,182,567	35,981
Total	266,482,567	58,335

Fixed Charges below include \$251,460 for Rentals of Leased Lines and \$202,066 Interest on Qu' Appelle, Long Lake & Saskatchewan Ry. Debenture Stock.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1914

	Total	Per Mile
Average miles operated, 4,563 (4,865 in 1914-15)		
Operating Revenues (1914-15, \$17,225,600)	\$23,781,329	\$5,212
Operating Expenses	16,147,417	3,539
Net Operating Revenues	7,633,912	1,673
Gross Corporate Income	7,633,912	1,673
Fixed Charges (including for Taxes, \$303,346)	6,199,402	1,359
*Surplus	1,434,510	314

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$3,191,805	\$699
Maintenance of Equipment	2,563,233	562
Traffic Expenses	450,414	99
Transportation Expenses	9,198,610	2,016
General Expenses	743,355	163

Ratio of Operating Expenses to Operating Revenues 69.9 per cent.

\*This Surplus before deducting \$1,250,000 Interest (5%) on Income Charge Debentures. Interest on these Debentures was not paid during 1915.

## APPROPRIATION OF GROSS INCOME

	1913-14	1912-13	1911-12	1910-11	1909-10	1908-09
For Maintenance Expenses	24.2%	26.9%	28.1%	28.0%	28.1%	25.4%
For Traffic, Transportation and General Expenses	43.7%	44.5%	42.8%	40.3%	39.4%	39.3%
For Fixed Charges	26.1%	22.3%	23.8%	26.1%	25.2%	25.8%
For Surplus	5.0%	6.3%	5.3%	5.6%	7.5%	6.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Ton miles per mile of road	530,266	550,708	520,577	409,610
Passenger miles per mile of road	34,674	36,590	40,741	33,552

See Notes, Page 482.

CANADIAN PACIFIC RY.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1901-2	7,588	\$37,503,053	1908-9	9,878	\$76,813,321
1902-3	7,619	42,957,373	1909-10	10,078	94,989,490
1903-4	8,133	46,469,132	1910-11	10,342	104,167,808
1904-5	8,568	50,481,882	1911-12	10,767	123,319,541
1905-6	8,777	51,669,758	1912-13	11,367	139,386,700
1906-7	9,153	72,217,528	1913-14	11,826	129,814,824
1907-8	9,426	71,384,174	1914-15	12,368	98,865,210

STOCK OUTSTANDING

June 30, 1915.	
*Common	\$260,000,000
Preference (4%)	80,681,921

BONDS OUTSTANDING

June 30, 1915.	
†Mortgage Bonds	\$6,399,180
Debenture Stock	176,294,882
Equipment	12,780,800
‡Note Certificates (6%)	82,000,000

\*Includes \$60,000,000 common stock sold to stockholders at 175. in 1913, \$2,000,000 stock sold in market during 1912-13 for \$4,860,822 and \$18,000,000 stock sold to stockholders at 150 in 1912.

†Of above amount \$2,749,180 bonds were First Mortgage 5's (balance of issue) of Canadian Pacific Ry. for retirement of which funds were deposited.

‡Interest not included in Fixed Charges below.

CAPITALIZATION

	Total	Per Mile
Stock	\$340,681,921	\$27,646
Bonds	247,464,062	20,008
Total	588,145,983	47,654

Fixed Charges below include \$2,543,080 for Rentals and Interest on Bonds other than those included above; but Fixed Charges below do not include Interest on the Note Certificates.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 12,368.		
Operating Revenues	\$93,865,210	\$7,994
Operating Expenses	65,290,583	5,279
Net Operating Revenues	33,574,627	2,715
Other Income	9,476,180	766
Gross Corporate Income	43,049,807	3,481
Fixed Charges	10,446,510	846
Surplus	32,603,297	2,636

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$11,400,539	\$922
Maintenance of Equipment	11,307,965	914
Traffic Expenses	2,990,164	242
Transportation Expenses (including for Steamers, Telegraph, Parlor and Sleeping Cars, etc.)	35,628,712	2,881
General Expenses	3,963,203	320

Ratio of Operating Expenses to Operating Revenues 66.0 per cent.

Other Income above includes \$5,864,432 Earnings from Ocean Steamships and Hotels, and Net Earnings of Pacific Coast Steamships, Telegraph and News Department (this item in 1913-14 was \$2,917,933).

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1909-10
For Maintenance Expenses	12.0%	24.2%	24.2%	24.2%	24.7%
For Traffic and Other Operating Expenses	39.3%	39.9%	39.0%	37.6%	35.6%
For Fixed Charges	9.6%	7.5%	7.4%	8.1%	8.9%
For Surplus	30.1%	28.4%	29.4%	30.1%	38.8%
	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	625,338	896,479	989,061	965,519
Passenger miles per mile of road	93,413	182,835	165,461	140,549

See Notes, Page 487.

## GRAND TRUNK RY. OF CANADA.

Note: The statements of this Company are rendered expressed in Pounds Sterling. The figures have been converted into dollars at the rate of exchange of \$4.87 per Pound Sterling.

*Avg. Miles			*Avg. Miles				
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1908-4	3,562	\$27,750,208	\$2,549,228	1908-10	3,536	\$33,868,606	\$3,690,014
1904-5	3,535	28,532,463	3,492,452	1910-11	3,536	35,361,461	3,647,443
1905-6	3,535	30,732,984	3,597,174	1911-12	3,545	38,814,402	4,173,563
1906-7	3,535	33,924,939	4,084,879	1912-13	3,545	43,724,789	4,745,595
1907-8	3,536	32,543,476	3,444,453	†1913	4,012	46,850,257	4,758,584
1908-9	3,536	30,494,188	3,513,143	1914	4,015	41,866,280	2,070,315

\*Does not include Grand Trunk Western Ry. (347 miles), Detroit, Grand Haven & Milwaukee Ry. (191 miles), Toledo, Saginaw & Muskegon Ry. (96 miles), etc. Entire or majority stock of these roads is owned. †Fiscal year changed to calendar year.

## STOCK OUTSTANDING

December 31, 1914.

Common .....	\$109,458,048
Preference 1st (5%) .....	16,655,400
Preference, 2d (5%) .....	12,321,100
Preference 3d (4%) .....	34,908,435
Guaranteed (4%) .....	60,375,000
Canada Atlantic Ry. ..	7,204,981

†Includes 4% Mortgage Bonds of Canada Atlantic Ry.

## BONDS OUTSTANDING

December 31, 1914.

Debenture Stock (4%) ..	\$121,422,103
Debenture Stock (5%) ..	34,063,126
†Loan Capital .....	18,323,744
Canadian Government Advances .....	15,153,005

## CAPITALIZATION

	Total	Per Mile
Stock .....	\$241,422,904	\$60,130
Bonds .....	188,865,978	47,040
Total .....	430,288,882	107,170

Fixed Charges below include \$775,853 for Rentals, \$505,324 for Advances to Detroit, Grand Haven & Milwaukee Ry., \$650,145 advances to Grand Trunk Western Ry., and \$127,336 advances to Toledo, Saginaw & Muskegon Ry.

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 4,015.		
Operating Revenues .....	\$41,866,280	\$10,427
Operating Expenses .....	32,516,386	8,069
Net Operating Revenues .....	9,349,874	2,328
Other Income .....	3,324,963	828
Gross Corporate Income .....	12,674,837	3,156
Fixed Charges (including for Taxes, \$903,759) .....	10,604,522	2,641
Surplus .....	2,070,315	516

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$5,240,417	\$1,305
Maintenance of Equipment .....	6,697,711	1,668
Traffic Expenses .....	1,367,959	341
Conducting Transportation .....	17,919,272	4,463
General Expenses .....	1,291,027	322

Ratio of Operating Expenses to Operating Revenues 77.7 per cent.

## APPROPRIATION OF GROSS INCOME

	1914	1912-13	1911-12	1910-11	1909-10	1908-9
For Maintenance Expenses ..	26.4%	25.4%	23.1%	20.5%	31.6%	26.0%
For Traffic and Other Operating and General Expenses ..	45.5%	43.0%	41.6%	40.1%	38.1%	40.9%
For Fixed Charges .....	23.5%	21.2%	19.9%	20.5%	19.9%	22.1%
For Surplus .....	4.6%	10.4%	10.4%	9.9%	10.4%	11.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1912-13	1911-12	1910-11	1910-11
Ton miles per mile of road .....	967,963	1,149,849	1,003,742		908,814
Miles, second and additional main track .....	728	711	710		710
Miles, yards and sidings .....	1,564	1,426	1,344		1,316

See Notes, Page 490.

## OF RAILROADS

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### QUEBEC CENTRAL RY.

*See Notes regarding lease of this property to the Canadian Pacific Ry.*

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1909-10	222	\$1,105,867	\$186,113	1912-13	253	\$1,529,741	\$223,850
1910-11	253	1,208,949	228,967	1913-14	258	1,553,174	228,457
1911-12	253	1,354,811	255,489	1914-15	*258	1,345,729	168,537

\*Estimated.

#### STOCK OUTSTANDING

June 30, 1915.	
Common .....	\$3,381,603

#### BONDS OUTSTANDING

June 30, 1915.	
1st Mtge. Debenture Stock	\$2,943,540
4% .....	
2d Mtge. Debenture Stock	1,644,933
3 3/4% .....	
3rd Mtge. Bonds 5% .....	1,644,934

#### CAPITALIZATION

	Total	Per Mile
Stock .....	\$3,381,603	\$13,107
Bonds .....	6,223,407	24,160
<b>Total</b> .....	<b>9,615,010</b>	<b>37,267</b>

Fixed Charges below include \$3,364 Expenses Outside Operations.

#### INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 258.		
Operating Revenues .....	\$1,345,729	\$5,216
Operating Expenses .....	900,708	3,491
Net Operating Revenues .....	445,026	1,725
Other Income .....	8,616	33
Gross Corporate Income .....	453,642	1,758
Fixed Charges (including for Taxes, \$19,180) .....	286,105	1,105
*Surplus .....	168,537	653

#### OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$181,026	\$702
Maintenance of Equipment .....	136,365	528
Traffic Expenses .....	27,341	106
Transportation Expenses .....	506,948	1,965
General Expenses .....	49,023	190

Ratio of Operating Expenses to Operating Revenues 66.9 per cent.

\*This Surplus before deducting \$25,000 for Additions and Betterments.

#### APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses .....	23.4%	23.0%	21.8%	24.1%	23.4%	26.3%
For Traffic and Other Operating Expenses .....	43.1%	44.1%	45.8%	44.0%	42.7%	40.7%
For Fixed Charges .....	21.1%	18.3%	17.8%	13.2%	15.1%	16.3%
For Surplus .....	12.4%	14.6%	14.6%	18.7%	13.8%	16.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Miles, yards and sidings .....	60	60	60	52

See Notes, Page 494.



## TORONTO, HAMILTON &amp; BUFFALO RY.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1909	84	\$883,356	\$159,727	1912	92	\$1,708,718	\$550,706
1910	83	1,145,769	260,356	1913	92	1,745,818	239,285
1911	92	1,256,012	300,108	1914	92	1,313,565	221,292

## STOCK OUTSTANDING

## BONDS OUTSTANDING

December 31, 1914.		December 31, 1914.	
Common	\$3,500,000	Fixed Interest	\$4,280,000
		Equipment	1,275,000
Loans and Bills Payable, December 31, 1914, \$1,100,000 (Loans and Bills Receivable, \$890,561).			

## CAPITALIZATION

	Total	Per Mile
Stock	\$3,500,000	\$38,043
Bonds	5,555,000	60,381
Total	9,055,000	98,424
Fixed Charges below include \$6,077 for Rentals.		

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 92.		
Operating Revenues	\$1,313,565	\$14,278
Operating Expenses	954,177	10,372
Net Operating Revenues	359,388	3,906
Other Income (including \$73,784 from Rentals)	154,131	1,675
Gross Corporate Income	523,519	5,581
Fixed Charges (including for Taxes, \$8,172)	292,227	3,176
Surplus	231,292	2,465

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$199,254	\$2,166
Maintenance of Equipment	169,977	1,848
Traffic Expenses	20,845	227
Transportation Expenses	516,965	5,619
General Expenses	47,136	512
Ratio of Operating Expenses to Operating Revenues 72.6 per cent.		
Other Income above includes \$63,323 from Hire of Equipment.		

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912	1911	1910
For Maintenance Expenses	25.2%	29.8%	17.3%	20.6%	17.3%
For Traffic and Other Operating Expenses	59.8%	58.7%	32.3%	35.2%	35.8%
For Fixed Charges	14.9%	23.5%	19.1%	21.2%	25.0%
For Surplus	15.1%	13.0%	31.3%	23.0%	21.9%
	100.0%	100.0%	100.0%	100.0%	100.0%

	1914	1913	1912	1911
Ton miles per mile of road	795,032	1,090,112	1,128,931	865,151
Passenger miles per mile of road	210,884	243,788	211,622	196,686
Miles, second and additional main track	10	10	4	4
Miles, yards and sidings	65	65	50	87

See Notes, Page 495.

OF RAILROADS

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CUBA R. R.

Year	Avg. Miles Oper.	*Gross	Surplus	Year	Avg. Miles Oper.	*Gross	Surplus
1904-5	408	\$1,029,259	\$37,448	1910-11	602	\$2,904,410	\$797,418
1905-6	421	1,619,082	287,861	1911-12	602	3,726,330	1,069,988
1906-7	428	1,935,092	332,424	1912-13	602	4,478,194	1,414,280
1907-8	440	1,988,676	355,425	1913-14	602	4,954,641	1,651,505
1908-9	444	2,115,984	550,799	1914-15	602	5,022,793	1,873,684
1909-10	455	2,500,172	672,089				

\*Does not include Gross Earnings of Antilla Terminals.

STOCK OUTSTANDING

June 30, 1915.

Common	\$10,000,000
Preferred (6%)	10,000,000

BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	\$16,000,000
Equipment	1,324,000

CAPITALIZATION

	Total	Per Mile
Stock	\$20,000,000	\$83.233
Bonds	17,354,000	28.827
Total	\$37,354,000	62.050

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 602.		
Operating Revenues	\$5,022,793	\$8.344
Operating Expenses	2,333,307	3.876
Net Operating Revenues	2,689,486	4.468
Other Income (Antilla Terminals)	38,054	.06
Gross Corporate Income	2,727,540	4.531
Fixed Charges	853,356	1.419
Surplus	1,873,684	3.112

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$548,218	\$911
Maintenance of Equipment	355,170	590
Conducting Transportation	1,218,958	2,025
General Expenses	210,961	350

Ratio of Operating Expenses to Operating Revenues 46.5 per cent.  
 Other Income above represents \$38,054 net from operations of Antilla Terminals (Gross, \$183,921; Expenses, \$145,867).

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	17.9%	21.8%	21.5%	20.4%	21.3%	22.4%
For Conducting Transportation and General Expenses	28.2%	29.0%	29.4%	30.5%	32.7%	33.6%
For Fixed Charges	16.9%	16.3%	17.8%	20.7%	19.4%	17.8%
For Surplus	37.0%	32.9%	31.3%	28.4%	26.6%	26.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Miles, yards and sidings	1914-15	1913-14	1912-13	1911-12
	88	81	71	68

See Notes, Page 495.

## THE EARNING POWER

## CUBAN CENTRAL RYS.

Year	Avg. Miles		Gross	Year	Avg. Miles		Gross
	Oper.				Oper.		
1909-10	241	\$2,326,550	£465,310	1912-13	291	\$3,088,015	£617,903
1910-11	255	2,300,430	460,086	1913-14	341	2,929,185	585,987
1911-12	268	2,499,910	499,832	1914-15	353	3,234,370	646,574

## STOCK OUTSTANDING

June 30, 1915.

\*Ordinary .....\$4,500,000

\*Preference (5½%) ..... 6,100,000

\*Ordinary, £900,000; Preference (cumulative) £1,220,000. †Includes £771,700 4½% Mortgage Debentures; £91,806 8s. 7d. Mortgage Bonds of Acquired Companies and £1,178,000 5% Debenture Stock.

## BONDS OUTSTANDING

June 30, 1915.

†Fixed Interest .....\$10,207,532

## CAPITALIZATION

	Total	Per Mile
Stock (£2,120,000).....	\$10,600,000	\$30,028
Bonds (£2,041,506).....	10,207,532	28,917
Total (£4,161,506).....	20,807,532	58,945
Fixed Charges below include \$35,785 (£7,157) for Rentals, and \$62,885 (£12,577) Cuban Taxes—Balance; \$25,000 (£5,000) Income Tax and \$12,000 (£2,400) Cancellation of Office Lease. Includes also Sinking Fund payments.		

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 353.		
Operating Revenues .....	\$3,234,370	\$9,163
*Operating Expenses .....	(£329,661)	4,670
Net Operating Revenues .....	(317,213)	4,493
Other Income .....	(3,251)	46
Gross Corporate Income .....	(320,464)	4,539
Fixed Charges .....	(142,500)	2,013
†Surplus .....	(177,964)	2,521

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	(£90,739)	\$1,285
Maintenance of Equipment .....	(60,675)	860
Transportation Expenses .....	(128,643)	1,964
General Expenses .....	(39,604)	561

Ratio of Operating Expenses to Operating Revenues 51.0 per cent.

\*Does not include £13,747 Reserve for Revenue Proportion of Special Works. †This Surplus before deducting \$68,735 (£13,747) Reserve for Revenue Proportion of Special Works, and \$300,000 (£60,000) carried to Reserve and Insurance Accounts.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses .....	23.3%
For Transportation and Other Operating Expenses .....	27.4%
For Fixed Charges .....	21.9%
For Surplus .....	27.4%
	100.0%

See Notes, Page 496.

## GUANTANAMO &amp; WESTERN R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1911-12	75		\$382,942	*\$14,645	1912-14	75		\$465,222	\$24,361
1912-13	75		440,774	*10,105	1914-15	75		465,067	22,620

\*Deficit.

## STOCK OUTSTANDING

June 30, 1915.

Common	\$2,750,000
Preferred 1st (7%)	2,750,000
Preferred 2d (5%)	250,000
Loans and Bills Payable, June 30, 1915, \$75,032; Loans and Bills Receivable, \$50,100.	

\*Does not include \$223,000 Common Stock, \$232,900 First Preferred Stock and \$153,000 Second Preferred Stock in Treasury.

## BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	\$600,000
Equipment	130,000
Notes (6%) due 1916	429,500

## CAPITALIZATION

	Total	Per Mile
Stock	\$5,750,000	\$76,667
Bonds	1,159,500	15,460
<b>Total</b>	<b>6,909,500</b>	<b>\$2,127</b>

Fixed Charges below include \$7,083 for Hire of Equipment and \$35,176 Amortization of Discount on Funded Debt.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 75.		
Operating Revenues	\$465,097	\$6,201
Operating Expenses	355,416	4,739
Net Operating Revenues	109,681	1,462
Other Income (including \$7,917 from Rentals)	27,990	374
Gross Corporate Income	137,671	1,836
Fixed Charges (including for Taxes, \$1,062)	115,051	1,534
Surplus	22,620	302

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$74,188	\$989
Maintenance of Equipment	91,380	1,218
Conducting Transportation	138,279	1,844
General Expenses	51,569	688

Ratio of Operating Expenses to Operating Revenues 76.4 per cent.

Other Income above includes \$16,511 Profit—Boqueron Terminal—and \$1,610 from Hire of Equipment.

## APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses	33.6%	28.8%	42.5%	43.5%
For Transportation and General Expenses	33.5%	35.5%	42.2%	42.1%
For Fixed Charges	23.3%	22.0%	16.6%	13.2%
For Surplus	4.6%	13.1%	Deficit	Deficit
	100.0%	100.0%		

See Notes, Page 497.

## UNITED RYS. OF THE HAVANA & REGLA WARE- HOUSES, LTD.

*Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.*

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1911-12	672	\$7,073,960	1913-14	680	8,068,355
1912-13	673	8,139,670	1914-15	681	8,960,830
		1,626,674			1,692,362

### \*STOCK OUTSTANDING

June 30, 1915.

Ordinary .....	362,675,750
Deferred Ordinary .....	2,472,785
Preferred (5%) .....	13,932,145

### †BONDS OUTSTANDING

June 30, 1915.

Debenture Stock .....	\$34,422,460
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\*Ordinary, \$3,535,150; Deferred Ordinary, £494,756; Preferred (Cumulative), £2,472,785. †£330,000 "A" Irredeemable Debenture Stock; £1,425,900 5% Consolidated Irredeemable Debenture Stock; £2,988,193 5% Irredeemable Debenture Stock (1906); £1,281,455 4% Redeemable Debenture Stock; £988,750 4½% Redeemable Debentures.

### CAPITALIZATION

		Total	Per Mile
Stock .....	(£9,816,336)	\$49,081,680	\$72.073
Bonds .....	(7,064,268)	35,321,490	51.867
Total .....	(16,880,604)	84,403,170	123.940

Fixed Charges below include \$20,000 (£4,000) Lease of Mariano Ry.; \$225,985 (£45,197) Cuban Taxes and \$50,000 (£10,000) Income Tax.

### INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 681.		Total	Per Mile
Operating Revenues .....	(£1,692,362)	\$8,461,619	\$12.425
Operating Expenses .....	(894,466)	4,472,338	6.567
Net Operating Revenues .....	(797,896)	3,989,280	5.858
Other Income .....	(336,686)	1,652,496	2.472
Gross Corporate Income .....	(1,134,582)	5,672,776	8.330
Fixed Charges .....	(405,415)	2,627,075	3.978
*Surplus .....	(729,179)	3,645,895	5.354

### OPERATING EXPENSES

		Total	Per Mile
Maintenance of Way .....	(£180,487)	\$902,435	\$1.326
Maintenance of Equipment .....	(145,400)	727,000	1.068
Transportation Expenses .....	(466,967)	2,326,335	3.416
Misc. Exp. and General Expenses .....	(103,312)	516,560	.757

Ratio of Operating Expenses to Operating Revenues 62.8 per cent.  
 \*This Surplus before deducting \$1,300,000 (£260,000) Transferred to Reserve, General Renewals Reserve, Insurance and Pension Accounts.  
 Other Income above includes \$1,198,639 (£239,726) Interest and Dividends on Investment and \$436,340 (£87,268) Coupons due and accrued on Bonds of Havana Central R. R.

### APPROPRIATION OF GROSS INCOME

For Maintenance Expenses .....	18.0%
For Traffic and Other Operating Expenses .....	28.0%
For Fixed Charges .....	20.0%
For Surplus .....	36.0%
	100.0%

See Notes, Page 498.

## WESTERN RY. OF HAVANA.

Year	Avg. Miles		Gross	Avg. Miles		Gross	
	Oper.			Oper.			
1908-10	147	\$1,241,380	£248,264	1912-13	147	1,406,325	£281,265
1910-11	147	1,295,755	259,151	1913-14	147	1,433,535	286,795
1911-13	147	1,282,270	256,654	1914-15	147	1,440,060	288,012

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915.		June 30, 1915.	
Ordinary .....	\$5,500,000	Debenture Stock (4½%) ..	\$2,950,000

## CAPITALIZATION

	Total	Per Mile
Stock (£1,400,000) .....	\$5,500,000	\$37.415
Debenture Stock (£590,000) .....	2,950,000	20.068
Total (£1,690,000) .....	8,450,000	57.483
Fixed Charges below include \$33,785 (£6,757) Cuban Tax-Balance and for Rentals, \$15,000 (£3,000) Income Tax.		

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 147.		Total	Per Mile
Operating Revenues .....	(£288,012)	\$1,440,060	\$9.796
*Operating Expenses .....	(182,479)	912,896	6.207
Net Operating Revenues .....	(105,533)	527,665	3.589
Other Income .....	(9,771)	48,865	.332
Total Net Income .....	(115,304)	576,530	3.921
Fixed Charges .....	(86,859)	194,285	1.333
*Surplus .....	(78,445)	892,225	2.668

## OPERATING EXPENSES

	Total	Per Mile	
Maintenance of Way .....	(£38,132)	\$190,660	\$1.297
Maintenance of Equipment .....	(30,027)	150,135	1.021
Transportation Expenses .....	(86,925)	434,625	2.957
Miscellaneous and General Expenses .....	(27,896)	136,975	.932

Ratio of Operating Expenses to Operating Revenues 63.4 per cent.

\*To the Surplus should be added \$31,251 (£8,251) Cr., Reserve for Revenue Proportion of Special Works. In the Company's Report this sum is deducted from Operating Expenses.

Other Income above includes \$46,155 (£9,231) from Hacendados Warehouses and from Other Property.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses .....	22.9%
For Transportation and Other Expenses .....	38.4%
For Fixed Charges .....	12.4%
For Surplus .....	26.3%
	<hr/>
	100.0%

See Notes, Page 500.

## INTERNATIONAL RYS. OF CENTRAL AMERICA.

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1912	407	\$2,352,395	\$820,891	1914	*520	\$2,595,249	\$928,490
1913	439	2,451,797	723,411				

\*Total mileage operated December 31, 1914, includes Atlantic Division (Guatemala Ry.), 196 miles; Central Division (Guatemala Central R. R.), 158 miles; Occidental Division, 51 miles; Ocos Division, 20 miles; Salvador Division, 84 miles; also mileage of Pan-American Extension from Las Cruces, 31 miles.

†Includes the Gross Earnings, \$174,189, of the Occidental Division (Occidental R. R.) not included in Income Account.

‡The Surplus, as shown in Company's annual report was \$562,923; the Surplus here shown includes, Net profits, \$60,557, of Occidental Division (Occidental R. R.). The International Rys. of Central America own 26,415 shares of a total of 30,000 outstanding shares of the last named company.

## STOCK OUTSTANDING

December 31, 1914.	
Common	\$30,000,000
Preferred (5%)	10,000,000

## BONDS OUTSTANDING

December 31, 1914.	
Fixed Interest	\$10,850,000

## CAPITALIZATION

	Total	Per Mile
Stock	\$40,000,000	\$81,800
Bonds	10,850,000	22,188
Total	50,850,000	103,988

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 520.		
Operating Revenues	\$2,595,249	\$4,991
Operating Expenses	1,432,997	2,756
Net Operating Revenues	1,162,252	2,235
Other Income (including \$28,263 net, Misc. Operations)	34,275	66
Gross Corporate Income	1,196,527	2,301
Fixed Charges (including for Taxes, \$11,576)	573,047	1,102
Surplus	623,480	1,199

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$376,086	\$723
Maintenance of Equipment	241,622	466
Transportation Expenses	631,667	1,215
General Expenses	183,622	355
Ratio of Operating Expenses to Operating Revenues	55.2 per cent.	

## APPROPRIATION OF GROSS INCOME

	1914	1913	1912
For Maintenance Expenses	23.5%	19.1%	19.1%
For Transportation and General Expenses	31.0%	32.7%	27.0%
For Fixed Charges	21.8%	21.8%	19.6%
For Surplus	23.7%	28.4%	34.3%
	100.0%	100.0%	100.0%

	1914	1913	1912
Miles yards and sidings	43	48	45

See Notes, Page 500.

PANAMA R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1907-8	50	\$4,541,438	\$1,390,017	1911-12	51	\$4,677,366	\$1,782,049
1908-9	50	4,267,162	1,522,780	1912-13	62	4,599,163	2,179,176
1909-10	50	4,224,062	1,254,778	1913-14	62	4,567,406	2,303,340
1910-11	50	4,149,445	1,711,080	1914-15	*57	12,787,057	914,861

\*Actual mileage of tracks maintained by Panama R. R., 208 miles. This included 77 miles owned by the Panama Canal division of the U. S. Government. †Does not include \$2,642,457 Gross Revenues from Steamship Line (\$2,265,101 in 1913-14; \$2,151,158 in 1912-13; \$1,996,299 in 1911-12, and \$1,860,111 in 1910-11 [see below]).

†STOCK OUTSTANDING

Common	June 30, 1915	\$7,000,000
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\*DUE U. S. GOVERNMENT

For Improvements, etc.	\$1,399,115
For Funds Advanced to Pay Off Bonds	1,848,217

\*In accordance with an act of Congress, March, 1911, the Company has been relieved from further payments as to principal and interest. The Company, however, until further action, is held accountable for this indebtedness.

CAPITALIZATION

	Total	Per Mile
Stock	\$7,000,000	\$122,807
Due U. S. Government	3,247,332	56,971
Total	10,247,332	179,778

Fixed Charges below include \$78,470 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 57.		
Operating Revenues	\$2,787,057	\$48,896
Operating Expenses	2,607,479	45,745
Net Operating Revenues	179,578	3,151
Other Income (including \$99,039 from Rentals)	828,592	14,536
Gross Corporate Income	1,008,170	17,687
Fixed Charges (including for Income Tax, \$14,839)	93,309	1,637
*Surplus	914,861	16,050

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$315,357	\$5,533
Maintenance of Equipment	566,363	9,936
Traffic Expenses	13,702	240
Transportation Expenses	1,022,500	17,939
Miscellaneous and General Expenses	1,689,557	29,097

Ratio of Operating Expenses to Operating Revenues 93.6 per cent.

\*Surplus for period July 1 to October 31, 1915, \$555,796, as compared with \$321,180 July 1 to October 31, 1914. †Includes \$574,398 Expenses of Loading and Discharging Vessels, also Freight Handling, Ligherage, Harbor Service, etc. (General Expenses amounted to \$209,391).

Other Income above includes \$499,853 net, Revenue from Operations of Steamship Lines (Gross \$2,642,457; Operating Expenses \$2,142,604).

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	24.4%	17.0%	17.0%	16.1%	19.4%
For Traffic and Other Operating Expenses	47.7%	36.1%	37.7%	39.9%	39.0%
For Fixed Charges	2.6%	2.2%	2.3%	7.2%	1.3%
For Surplus	25.3%	44.7%	43.0%	36.8%	40.3%
	100.0%	100.0%	100.0%	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	651,119	1,074,203	1,301,088	1,409,679
Passenger miles per mile of road	460,993	586,315	562,199	631,483

See Notes, Page 501.



## ARGENTINE NORTH EASTERN RY.

Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Year	Avg. Miles		Gross	Year	Avg. Miles		Gross
	Oper.				Oper.		
1909-10	550	£1,227,670	£245,534	1912-13	665	\$1,835,125	£867,025
1910-11	614	1,465,115	293,023	1913-14	666	1,742,445	848,489
1911-12	665	1,596,590	319,312	1914-15	*708	†1,298,135	†269,627

\*A total of 752 miles was operated as of June 30, 1915. †See Notes regarding increase in Earnings since July 1, 1915.

## STOCK OUTSTANDING

June 30, 1915.

\*Ordinary .....\$13,842,500

\*£2,768,500.

75% "A" Debentures and Debenture Stock, £1,200,000; 5% "B" Debentures and Debenture Stock, £92,000; 5% "C" Debentures and Debenture Stock, £1,000,000.

Temporary Loans outstanding June 30, 1915, £370,433 (£1,852,165) secured by £80,000 "C" Debentures.

## BONDS OUTSTANDING

June 30, 1915.

Debentures and Debenture Stock .....\$20,961,145

## CAPITALIZATION

		Total	Per Mile
Stock	(£2,768,500)	\$12,842,500	\$19,552
Bonds	(4,192,229)	20,961,145	29,606
Total	(6,960,729)	34,803,645	49,158

Fixed Charges below include \$10,000 (£2,000 Income Tax), while \$248,055 (£49,611) Interest is included below as having been paid on the "B" Debentures and Debenture Stock; \$124,030 (£24,806) of that amount was paid in 5% Funding Scrip; likewise of the £21,935 Interest on Loans, £4,287 was paid in this Scrip.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

		Total	Per Mile
Average miles operated, 708.			
Operating Revenues	(£259,627)	\$1,298,135	\$1,833
Operating Expenses	(184,707)	923,535	1,304
Net Operating Revenues	(74,920)	374,600	529
Other Income	(3,027)	15,135	21
Gross Corporate Income	(77,947)	359,735	509
Fixed Charges	(138,596)	697,980	984
*Deficit	(55,649)	278,245	393

## OPERATING EXPENSES

		Total	Per Mile
Maintenance of Way	(£40,770)	\$208,350	\$293
Maintenance of Equipment	(25,511)	127,555	180
Transportation Expenses	(85,007)	425,035	600
Misc. and General Expenses	(33,419)	167,095	236

Ratio of Operating Expenses to Operating Revenues 71.1 per cent.

\*Before expending \$28,120 (£5,624) Expenditure on Renewals.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses	25.2%
For Traffic, Transportation and General Expenses	45.1%
For Fixed Charges	50.9%
For Surplus	Deficit

See Notes, Page 302.

## BUENOS AYRES &amp; PACIFIC RY.

Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Year	Avg. Miles		Gross	Year	Avg. Miles		Gross
	Oper.				Oper.		
1910-11	3,114	\$24,104,295	£4,820,841	1913-14	3,473	\$24,408,325	£4,981,668
1911-12	3,240	24,883,255	4,976,661	1914-15	3,527	22,694,715	4,538,943
1912-13	3,404	27,953,065	5,590,613				

## \*STOCK OUTSTANDING

June 30, 1915.	
Ordinary .....	\$50,000,000
†Preferred 1st (5%) .....	6,000,000
‡Preferred 2d (5%) .....	5,000,000

\*These are the Stocks and Debenture Stocks of the parent company and do not include Securities of Leased and Controlled Lines. †Cumulative. ‡Includes £2,925,000 4% First Debenture Stock, £2,075,000 4½% Second Debenture Stock, £7,942,673 4½% Consolidated Debenture Stock and £4,000,000 5% Debenture Stock.

## \*BONDS OUTSTANDING

June 30, 1915.	
†Debenture Stock .....	\$84,713,365

CAPITALIZATION  
(B. A. & P. Ry. Proper.)

	Total	Per Mile
Stock .....	\$61,000,000	\$17,235
Bonds .....	84,713,365	24,019
Total .....	145,713,365	41,314

Fixed Charges below include £968,221 for Rentals payable under agreements; £8,564 proportion of Receipts Argentine Transandine Ry.; £2,182 Income Tax, and £5,507 Depreciation of Steamers.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

(All lines included.)

	Total	Per Mile
Average miles operated, 3,527.		
Operating Revenues .....	(£4,538,943) \$22,694,715	\$6,434
Operating Expenses .....	(2,800,700) 14,003,500	3,970
Net Operating Revenues .....	(1,738,243) 8,691,215	2,464
Other Income .....	(145,761) 728,805	207
Gross Corporate Income .....	(1,884,004) 9,420,020	2,671
Fixed Charges .....	(1,760,810) 8,804,050	2,496
Surplus .....	(123,194) 615,970	175

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	(£342,276) \$1,711,380	\$485
Maintenance of Equipment .....	(498,189) 2,490,945	706
Traffic and Transportation Expenses .....	(1,608,355) 8,041,775	2,280
Miscellaneous and General Expenses .....	(351,880) 1,769,400	499

Ratio of Operating Expenses to Operating Revenues 61.7 per cent.  
\*This Surplus before deducting \$243,185 (£48,637) Flood Repair Expenses, and \$41,850 (£8,370) account of Special Renewals.

## APPROPRIATION OF GROSS INCOME

For Maintenance Expenses .....	17.9%
For Traffic, Transportation and General Expenses .....	41.8%
For Fixed Charges .....	37.7%
For Surplus .....	2.6%
	100.0%

	1914-15	1913-14	1912-13	1911-12
Miles, second and additional main track .....	317		204	246
Miles, yards and sidings .....	728		612	508

See Notes, Page 503.

### BUENOS AYRES GREAT SOUTHERN RY.

*Note: The statements of this Company are rendered expressed in Pounds Sterling; in this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.*

Year	Avg. Miles		Gross		Year	Avg. Miles		Gross	
	Oper.					Oper.			
1906-6	2,506		\$19,484,400	£3,896,888	1910-11	3,044		\$24,941,900	£4,988,380
1906-7	2,613		21,270,045	4,254,009	1911-12	3,390		27,020,479	5,404,096
1907-8	2,613		22,211,880	4,442,376	1912-13	3,544		32,846,724	6,569,345
1908-9	2,716		23,241,495	4,649,499	1913-14	3,655		27,322,940	5,464,588
1909-10	2,770		23,009,620	4,601,924	1914-15	3,783		24,708,135	4,941,621

#### \*STOCK OUTSTANDING

June 30, 1915.

Ordinary .....	£145,450,000
Preference (5%) .....	40,000,000
*Ordinary, £20,090,000; Preference, £15,472,560; 4½% Debenture Stock issued to Buenos Ayres Western Ry. in purchase of the Saladillo Branch, £1,032,930; 4½% B. A. W. Ry. Annuity account Brandzen Branch, £242,600.	

#### †BONDS OUTSTANDING

June 30, 1915.

Debenture Stock .....	\$82,527,450
Annuity (4½%) .....	1,213,000
*Ordinary, £20,090,000; Preference, £15,472,560; 4½% Debenture Stock issued to Buenos Ayres Western Ry. in purchase of the Saladillo Branch, £1,032,930; 4½% B. A. W. Ry. Annuity account Brandzen Branch, £242,600.	

#### CAPITALIZATION

	Total	Per Mile
Stock .....	\$185,450,000	\$49,282
Debenture Stock, etc. ....	83,740,450	22,254
Total .....	269,190,450	71,536
Fixed Charges below include \$520,870 (£104,174) Working Agreements and \$540,655 (£108,131) Income Tax.		payments under

#### INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 3,763.		
Operating Revenues .....	(\$4,941,627)	\$24,708,135
Operating Expenses .....	(2,986,737)	14,933,685
*Net Operating Revenues .....	(1,954,890)	9,774,450
Other Income .....	(164,891)	824,455
Gross Corporate Income .....	(2,119,781)	10,598,905
Fixed Charges .....	(882,161)	4,410,805
Surplus .....	(1,237,620)	6,188,100

#### OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	(£546,794)	\$2,783,960
Maintenance of Equipment .....	(405,535)	2,027,625
Traffic and Transportation Expenses .....	(1,612,652)	8,063,270
Miscellaneous and General Expenses .....	(421,766)	2,108,830

Ratio of Operating Expenses to Operating Revenues 60.4 per cent.

\*Net Operating Revenues for 1913-14 were £2,264,495 and for 1912-13, £2,670,349.

Other Income above includes \$378,280 (£75,656) Income from investments in Allied Companies, \$61,730 (£12,346) Interest on Argentine 5% Irrigation Bonds and £76,889 Interest on Reserve Funds, Other Interest, Exchange, etc. The sum of \$1,580,280 (£316,056) carried forward in the annual report from June 30, 1914, as is customary under the British system of accounting, is not included.

#### APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	100.0%
For Maintenance Expenses .....	18.7%			
For Traffic, Transportation and General Expenses .....	39.8%			
For Fixed Charges .....	17.3%			
For Surplus .....	24.2%			

	1914-15	1913-14	1912-13	100.0%
Ton miles per mile of road .....	*149,047	*166,216	*236,208	1911-12
Passenger miles per mile of road .....	110,121	130,479	146,163	*175,685
*Exclusive of live stock, 5,361,371 of which were carried during 1914-15 (6,191,562, 1913-14; 6,562,951, 1912-13).				131,345

See Notes, Page 504.

## BUENOS AYRES WESTERN RY.

Note: The statements of this Company are rendered expressed in Pound Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Year	Avg. Miles		Gross		Year	Avg. Miles		Gross	
	Oper.					Oper.			
1907-8	1,219	\$11,026,185	£2,205,237		1911-12	1,859	\$12,128,413	£2,425,683	
1908-9	1,305	11,484,300	2,296,860		1912-13	1,781	14,530,040	2,906,008	
1909-10	1,365	11,602,560	2,300,510		1913-14	1,792	12,645,890	2,529,178	
1910-11	1,586	13,170,932	2,634,196		1914-15	1,867	12,613,410	2,522,682	

## \*STOCK OUTSTANDING

June 30, 1915	
Ordinary	£68,733,300
Preference (5%)	1,500,000
Preference (4½%)	12,761,700
†Extension (4%)	18,000,000

## BONDS OUTSTANDING

June 30, 1915	
†Fixed Interest	£49,362,350

\*£13,747,660 Ordinary; £300,000 5% Preference; £3,600,000 Extension. †Converted into Ordinary Stock after June 30, 1915. †£1,000,000 Government Bonds, 1888 issue; £7,872,203 4% Debenture Stock; £800,267 Installments paid on issue of £1,000,000 5% Terminable Debenture Stock (1925).

## CAPITALIZATION

	Total	Per Mile
Stock	\$101,000,000	\$54,097
Bonds	49,362,350	25,904
Total	149,362,350	80,001

Fixed Charges below include £73,722 Payments made under the Working Agreement.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 1,867.	Total	Per Mile
Operating Revenues	(£2,522,682)	\$12,613,410
Operating Expenses	(1,505,294)	7,526,420
Net Operating Revenues	(1,017,388)	5,086,990
Other Income	(61,278)	306,390
Gross Corporate Income	(1,078,676)	5,393,380
Fixed Charges (net)	(316,411)	1,582,055
Surplus	(762,265)	3,811,325

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	(£218,749)	\$1,093,745
Maintenance of Equipment	(231,840)	1,159,200
Traffic and Transportation Expenses	(760,982)	3,804,910
General Expenses	(293,714)	1,498,570

Ratio of Operating Expenses to Operating Revenues 69.7 per cent.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses	17.5%
For Traffic, Transportation and General Expenses	40.8%
For Fixed Charges	12.2%
For Surplus	29.5%
	100.0%

	1914-15	1913-14
Ton miles per mile of road	266,824	262,590
Passenger miles per mile of road	90,034	111,406

See Notes, Page 506.

## CENTRAL ARGENTINE RY.

Year	Avg. Miles		Gross	Year	Avg. Miles		Gross
	Oper.				Oper.		
1911-12	2,870	\$26,119,075	£5,223,815	1913-14	3,151	\$30,290,700	£6,068,140
1912-13	2,994	32,446,780	6,489,346	1914-15	3,286	28,776,270	5,755,254

## \*STOCK OUTSTANDING

June 30, 1915.

Consolidated Ordinary	\$140,984,750
Preference (4½%)	48,478,590
Deferred	4,059,000

## †BONDS OUTSTANDING

June 30, 1915.

Fixed Interest	\$67,761,640
Western Annuity	10,087,500
Notes	15,000,000

\*£28,186,950 Consolidated Ordinary Stock; £9,695,715 Preference; £811,800 Deferred. †£13,436,764 Debenture Stock (4%); £113,564 Central Debenture Stock; £2,017,500 Western Annuity; 6% 3-Year Notes, £1,000,000; 5% 5-Year Notes, £2,000,000.

## CAPITALIZATION

	Total	Per Mile
Stock	\$198,472,340	\$68,878
Bonds	92,839,140	28,253
Total	286,311,480	87,131

Fixed Charges below include \$453,935 Western Annuity.

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 3,286.

Operating Revenues	(£5,755,254)	\$28,776,270	\$8,767
Operating Expenses	(3,363,055)	16,815,275*	5,117
Net Operating Revenues	(2,392,199)	11,960,995	3,640
Other Income	(184,711)	923,585	281
Gross Corporate Income	(2,576,910)	12,884,580	3,921
Fixed Charges	(685,101)	3,425,505	1,042
*Surplus	(1,891,809)	9,459,075	2,879

## OPERATING EXPENSES

	Total	Per Mile	
Maintenance of Way	(£524,366)	\$2,621,830	\$798
Maintenance of Equipment	(503,374)	2,511,870	764
Traffic and Trans. Expenses	(1,892,113)	9,460,565	2,879
Misc. and General Expenses	(444,202)	2,221,010	676

Ratio of Operating Expenses to Operating Revenues 58.4 per cent.

\*This Surplus before deducting \$500,000 (£100,000) appropriated for Contingencies Funds.

Other Income above includes £116,878 Interest during Construction, but does not include £40,275 balance brought forward from June 30, 1914, in accordance with British accounting methods.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses	17.3%
For Traffic, Transportation and General Expenses	39.3%
For Fixed Charges	11.5%
For Surplus	31.9%
	<u>100.0%</u>

See Notes, Page 506.

## CORDOBA CENTRAL RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1900-10	1,149	\$4,553,625	\$681,685	1912-13	1,176	\$6,323,590	£1,363,390
1910-11	1,170	5,001,855	1,000,371	1913-14	1,184	6,739,990	1,847,848
1911-12	1,172	5,496,215	1,199,243	1914-15	1,186	6,013,326	1,202,625

## STOCK OUTSTANDING

## BONDS OUTSTANDING

June 30, 1915		June 30, 1915	
*Ordinary	\$20,343,635	1st Deb. Stock (4%)	\$40,000,000
†Preference 1st (5%)	7,200,000	2d Deb. Stock (4%)	25,000,000
‡Preference 2d (5%)	8,209,475	3-year Notes (4%)	1,243,000

\*\$37,120 of the Ordinary (Income) Stock does not rank for possible Dividend until July 1, 1917. †Cumulative. ‡\$3,500,000 of the Second Preference Stock does not rank for possible Dividends until July 1, 1916.

## CAPITALIZATION

	Total	Per Mile
Stock	\$35,853,110	\$30,230
Bonds	66,243,000	55,954
Total	102,096,110	86,084

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 1,186.		
Operating Revenues	\$3,458,774	\$7,132
Operating Expenses	(1,202,463)	5,069
Net Operating Revenues	2,246,369	2,063
Other Income	6,340	5
Gross Corporate Income	2,452,690	2,068
Fixed Charges	(2,764,685)	2,331
Deficit	312,085	263

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	£118,030	\$498
Maintenance of Equipment	(120,919)	510
Traffic and Transportation Expenses	778,632	3,282
Miscellaneous and General Expenses	(134,901)	779

Ratio of Operating Expenses to Operating Revenues 71.1 per cent.

\*Net Operating Revenues for 1913-14 amounted to £621,022 (\$3,105,110).

†Not including £1,674 brought forward July 1, 1914.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses	14.1%
For Traffic and Other Operating Expenses	56.9%
For Fixed Charges	32.5%
For Surplus	Deficit

See Notes, Page 508.

## ENTRE RIOS RYS.

(Argentine Republic.)

Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Year	Avg. Miles		Gross	Year	Avg. Miles		Gross
	Oper.				Oper.		
1911-12	688	\$2,360,505	£472,101	1913-14	742	\$3,049,250	£609,850
1912-13	730	3,065,725	611,145	1914-15	730	2,188,150	437,630

Surplus after Charges for each of the four years as above was as follows: 1911-12, £89,282; 1912-13, £117,320; 1913-14, £135,010; 1914-15 (deficit) £61,043.

## \*STOCK OUTSTANDING

June 30, 1915.

Ordinary	\$8,915,700
Preference 1st (5%)	10,000,000
Preference 2d (4%)	3,670,245

\*£1,783,140 Ordinary Stock, £2,000,000 5% First Preference Stock and £734,049 Second Preference Stock. †£1,505,000 4% Debenture Stock, £700,000 5% Debentures, £1,303,000 5% Consolidated Debenture Stock.

## BONDS OUTSTANDING

June 30, 1915.

†Debenture Stock and Debentures	\$17,540,000
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## CAPITALIZATION

		Total	Per Mile
Stock	(£4,517,189)	\$22,585,945	\$30,939
Debentures	(3,508,000)	17,540,000	24,028
Total	(8,025,189)	40,125,945	54,967

## INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

		Total	Per Mile
Average miles operated, 730.			
Operating Revenues	(£437,630)	\$2,188,150	\$2,997
Operating Expenses	(326,328)	1,631,646	2,235
Net Operating Revenues	(111,302)	556,510	762
Other Income	(2,490)	12,150	17
Gross Corporate Income	(113,732)	568,660	779
Fixed Charges	(166,815)	819,090	1,122
*Deficit	(50,086)	250,430	343

## OPERATING EXPENSES

		Total	Per Mile
Maintenance of Way	(£71,228)	\$356,140	\$488
Maintenance of Equipment	(32,447)	162,235	222
Transportation Expenses	(135,884)	679,426	931
General Expenses	(86,769)	433,845	594

Ratio of Operating Expenses to Operating Revenues 74.6 per cent.

\*To this Deficit should be added £10,957 expended for Flood Damages.

## APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses	23.6%
For Transportation and General Expenses	50.6%
For Fixed Charges	37.1%
For Surplus	Deficit

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road.	92,164	117,822	118,421	107,932
Passenger miles per mile of road.	25,492	35,459	27,346	25,755

See Notes, Page 509.

**ANTOFAGASTA (CHILE) & BOLIVIA RY.**  
(Chile and Bolivia.)

Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Year	Avg. Miles		Gross	Year	Avg. Miles		Gross
	Oper.				Oper.		
1911		\$7,584,425	£1,516,885	1913	795	\$9,068,875	£1,811,775
1912	769	8,319,675	1,663,935	1914	820	7,154,635	1,430,927

**STOCK OUTSTANDING**

December 31, 1914.

Pfd. Ordinary	\$10,000,000
Def. Ordinary	10,000,000
Preference (6%)	10,000,000

\*These Debenture Stocks bear Interest from 4% to 5% per annum, see Notes. †This issue of £600,000 Notes matures December 15, 1916.

**BONDS OUTSTANDING**

December 31, 1914.

*Debenture Stock	\$20,500,000
†Notes (6%)	3,000,000

**CAPITALIZATION**

	Total	Per Mile
Stock	(£6,000,000)	\$30,000,000
Bonds	(4,100,000)	23,500,000
Total	(10,100,000)	53,500,000
Fixed Charges below include \$116,440 (£23,290) Loss on Exchange; \$65,000 (£13,000) Discount on Issue of 2-year 6% Notes and \$91,295 (£18,259) Income Tax.		65,244

**INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914**

	Total	Per Mile
Average miles operated, 820.		
Operating Revenues	(£1,430,927)	\$7,154,635
Operating Expenses	(812,561)	4,062,805
Net Operating Revenues	(618,366)	3,091,830
Other Income	(173,108)	895,540
Gross Corporate Income	(797,474)	3,987,370
Fixed Charges	(247,549)	1,237,745
*Surplus	(549,925)	2,749,625

**OPERATING EXPENSES**

	Total	Per Mile
Maintenance of Way	(£135,875)	\$679,375
Maintenance of Equipment	(138,451)	692,255
Transportation Expenses	(347,479)	1,737,395
Misc. and General Expenses	(190,756)	963,780

Ratio of Operating Expenses to Operating Revenues 58.8 per cent.

\*This Surplus before deducting \$500,000 (£100,000) transferred to Reserve Account.

Other Income above includes \$400,720 (£80,144) Net Revenue from Waterworks (Gross, \$111,068; Expenses, \$30,924), and \$466,115 (£93,223) Interest on Bolivia Ry. bonds (less Tax).

**APPROPRIATION OF GROSS INCOME**

For Maintenance Expenses	1914-15
For Traffic, Transportation and General Expenses	17.0%
For Fixed Charges	33.4%
For Surplus	15.4%
	34.2%
	100.0%

See Notes, Page 510.



## SAN PAULO RY.

Note: The statements of this Company are rendered expressed in Pounds Sterling: In this table the basis of \$4.86 per Pound Sterling is used.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1913-14	154	\$10,521,327	\$2,984,351	1914-15	154	\$7,010,206	\$2,025,861

STOCK OUTSTANDING			BONDS OUTSTANDING		
June 30, 1915.			June 30, 1915.		
Common	.....	\$14,580,000	Debenture Stock (5½%)	.....	\$3,645,000
Preference (5%)	.....	4,860,000	Debenture Stock (5%)	.....	1,415,000
			Debenture Stock (4%)	.....	4,960,000

CAPITALIZATION		
	Total	Per Mile
Stock	\$19,440,000	\$126,234
Bonds	9,720,000	63,117
Total	29,160,000	189,351

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915		
	Total	Per Mile
Average miles operated, 154.		
Operating Revenues	\$7,010,206	\$45,521
Operating Expenses	4,702,046	30,523
Net Operating Revenues	2,308,160	14,968
Other Income	273,326	1,776
Gross Corporate Income	2,581,486	16,763
Fixed Charges	555,625	3,608
*Surplus	2,025,861	13,155

OPERATING EXPENSES		
	Total	Per Mile
Maintenance of Way	\$674,301	\$4,379
Maintenance of Equipment	512,812	3,327
Traction Power and Transportation Expenses	2,883,410	18,723
General Expenses	632,023	4,104
Ratio of Operating Expenses to Operating Revenues	67.7 per cent.	
*This Surplus before deducting \$373,749 Depreciation in value of Investments since July 1, 1914.		

APPROPRIATION OF GROSS INCOME		1914-15
For Maintenance Expenses	.....	16.3%
For Traffic, Transportation and General Expenses	.....	48.3%
For Fixed Charges	.....	7.6%
For Surplus	.....	27.8%
		100.0%

See Notes, Page 512.

## MANILA R. R.

(Gauge 3ft. 6 in.)

Note: In the Annual Report of this Company the Accounts are stated in Philippine Currency. In this book U. S. Currency is used on basis of 50 cents (U. S.) to the Peso (Philippine).

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1913	450	\$2,184,197	\$304,058	1914	497	\$2,496,867	*\$58,444
1914	479	2,618,244	306,220				

\*Deficit.

## STOCK OUTSTANDING

December 31, 1914.

Common .....	\$2,130,700
*Preferred (7%) .....	3,452,800

\*Cumulative.

The balance sheet as of December 31, 1914, showed \$8,902,926 due the Manila Ry. Co., Ltd., for Advances, etc., also \$2,313,500 due the Philippine Government for construction advances made by the latter.

## BONDS OUTSTANDING

December 31, 1914.

Fixed Interest .....	\$22,621,000
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## CAPITALIZATION

	Total	Per Mile
Stock .....	\$5,783,500	\$11,637
Bonds .....	22,621,000	46,615
Total .....	28,404,500	57,152

## INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1914

	Total	Per Mile
Average miles operated, 497.		
Operating Revenues .....	\$2,496,867	\$5,023
Operating Expenses .....	1,468,118	2,954
Net Operating Revenues .....	1,028,249	2,069
Other Income (including \$87 from Rentals).....	157,188	316
Gross Corporate Income .....	1,185,437	2,385
Fixed Charges (including for Taxes, \$16,820).....	1,243,881	2,503
Deficit .....	58,444	118

## OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way .....	\$370,310	\$745
Maintenance of Equipment .....	241,481	486
Traffic Expenses .....	26,687	54
Transportation Expenses .....	706,188	1,421
General Expenses .....	123,532	248

Ratio of Operating Expenses to Operating Revenues 58.8 per cent.

## APPROPRIATION OF GROSS INCOME

	1914
For Maintenance Expenses .....	23.1%
For Traffic, Transportation and General Expenses.....	32.3%
For Fixed Charges .....	46.9%
For Surplus .....	Deficit

See Notes, Page 513.

## NOTES

## BANGOR &amp; AROOSTOOK R. R.

See Table, page 58.

Dividends have been paid by this company since 1904 (initial dividend paid January, 1904): 1904, 3%; '05, 3½%; '06-'12, 4% yearly; '13, 3%; '14, 3½%; '15, 3%. The 1915 dividend was paid, 1% January; 2% July. In January, 1916, 1% was paid.

From 1900-1 to 1909-10, inclusive, the aggregate sum of \$866,821 was appropriated from surplus for additions and betterments.

The Aroostook Construction Co., which controls this road, has authorized an issue of \$2,500,000 5-year Collateral bonds due May 1, 1917, of which \$1,915,000 have been issued to fund floating debt of the Bangor & Aroostook Railroad and the Construction Co. Bonds are secured by \$2,156,500 stock and \$1,350,000 Consolidated 4% bonds of the Railroad and by other collateral.

On June 30, 1905, \$1,050,000 stock was outstanding and since that date \$2,398,600 new stock has been issued as follows, mostly sold at par:

1906 to purchase Fish River R. R. (leased line).....	\$500,000
1906 for additions and equipment, etc. ....	300,000
1908 for purchase of various lines and extensions.....	660,000
1910-11 towards construction of St. John River Extension .....	358,600
1910-11 " " " Washburn Extension ...	330,000
1914-15 for purchase of Van Buren Bridge Stock.....	250,000
<b>Total .....</b>	<b>\$2,398,600</b>

The Northern Maine Seaport R. R. and Terminals was completed in 1905 and affords the Bangor & Aroostook R. R. a route to Tidewater. \$4,720,000 5% bonds due 1935 were issued in addition to \$420,000 stock to complete this line.

In addition to the stock issued to purchase or construct above lines there have been issued \$1,000,000 Medford Extension 5s due 1937; \$1,800,000 St. John River Extension 5s due 1939, and \$1,650,000 Washburn Extension 5s due 1939. The two latter extensions (60 miles and 55 miles respectively) were completed in 1910.

In May, 1915, there was completed and opened for traffic an international bridge between Van Buren, Me. and St. Leonard, N. B., connecting the Bangor & Aroostook R. R. with various Canadian lines. This bridge is operated by the Van Buren Bridge Co., the entire stock of which is owned by the Bangor & Aroostook R. R., which company guarantees \$250,000 First Mortgage 20-year 6% bonds.

In 1901, the directors authorized a consolidated mortgage for

\$20,000,000, of which \$12,500,000 bonds were to be used or reserved to take up the outstanding bonds and the preferred stock; \$3,000,000 for improvements over a series of years, and the remaining \$4,500,000 for extensions at the rate of \$25,000 per mile, including equipment. These bonds are due 1951 and bear 4% interest. There were outstanding of this issue June 30, 1915, \$8,431,000.

On May 1, 1915, \$1,500,000 one-year 5% Notes were issued to retire \$1,250,000 Notes due May 15, 1915, and for other purposes. Current Assets, June 30, 1915, \$1,268,610; Current Liabilities, \$774,867.

Products of Forests contributed 38% of total freight tonnage in 1914-15 against 34½% in 1913-14; 36½% in 1912-13; 40% in 1911-12 and 1910-11, 41% in 1909-10 and 38% in 1908-9.

Main and second track as of June 30, 1915, contained:

246 miles of 85-pound rail, 406 miles of 70-pound rail,  
10 miles of 56-pound rail.

### BOSTON & MAINE R. R.

See Table, page 59.

The preferred stock of this company is limited to non-cumulative dividends of 6% per annum. Dividends have been paid on the preferred and common stocks as follows:

	1899	'00 to '07	'08	'09-'10	'11	'12	'13	'14-'15
Preferred	6	6	6	6	6	6	13	0
Common	6¼	7 yr'ly	*6¾	6	‡5	4	\$1	0

\*Reduced to a 6% rate in October, 1908. †Reduced from a 6% rate to a 4% rate in July, 1911. ‡Passed September, 1913. §Passed July, 1913.

#### ACQUISITION OF CONTROL BY THE "NEW HAVEN."

Until March 21, 1914, \$21,918,900 common stock and \$654,300 preferred stock of the Boston & Maine R. R. (about 52.9%) was held by the Boston R. R. Holding Company. This stock, following the United States Government's decree that the "New Haven" must dispose of its holdings in Boston & Maine R. R. stock, was transferred to five trustees. After arrangements have been made to protect the minority stock of the Holding Co. the trustees are to sell the Boston & Maine R. R. stock before January 1, 1917. The common stock of the Boston R. R. Holding Co. (\$3,106,500) is owned (except directors' shares) by the New York, New Haven & Hartford R. R. The history of the acquisition of control of the Boston & Maine R. R. by the "New Haven" is as follows:

In 1906-7, the "New Haven" acquired \$10,994,800 (about 38%) of the stock of the Boston & Maine R. R.. This stock was exchanged share for share for "New Haven" stock. It was contemplated to give all the stockholders of the Boston & Maine R. R. the opportunity to dispose of their stock on the same terms, but

before the agreement to this end became effective legislation was enacted in Massachusetts prohibiting any further acquisition of stock by the "New Haven" before July 1, 1908. These holdings acquired by the "New Haven" were transferred to John L. Billard. In June, 1909, the Governor of Massachusetts signed a bill providing for the incorporation of the Boston R. R. Holding Co. to take over the \$10,994,800 stock held by John L. Billard.

The Boston R. R. Holding Co., which was formed in the interest of the "New Haven" in October, 1909, took over the \$10,994,800 Boston & Maine R. R. stock held by John L. Billard at \$140 per share, payable \$13,743,500 (125%) in the 50-year 4% bonds of the holding company, redeemable at 105, and \$1,649,200 (15%) in its stock. Late in 1909 and early in 1910, the Boston R. R. Holding Co. purchased \$4,362,300 additional common stock at \$154 per share, payable \$125 in 4% bonds and \$29 in stock; also \$654,300 preferred stock at \$162 per share, payable \$125 in 4% bonds and \$37 in stock. This increased the Holding Co.'s Boston & Maine R. R. stock to \$15,357,100 common of a total of \$28,841,300, and \$654,300 preferred of a total of \$3,149,800; in all about 51% of total stock outstanding.

In June, 1910, the Boston R. R. Holding Co. authorized an issue of non-voting preferred stock guaranteed by the "New Haven" and secured by an equal amount of Boston & Maine R. R. stock, this preferred stock to take the place of bonds previously issued. This stock is subject to call at 110 at any time.

In January, 1911, the Boston R. R. Holding Co. subscribed to \$6,334,500 of \$10,663,700 new Boston & Maine R. R. common stock sold to stockholders at 110 (see a following paragraph). This stock, with a small additional amount acquired, brought the total owned to the amount stated in the first paragraph above. The securities issued by the Boston R. R. Holding Co. in exchange for this stock to June 30, 1915, amounted to \$3,106,500 common stock and \$27,293,900 preferred stock. All of the common stock and all except \$2,800,000 preferred stock (sold in 1910) was held by the "New Haven" on June 30, 1915.

#### SECURITIES OWNED.

The Boston & Maine R. R. held on June 30, 1915, among its treasury assets, \$5,551,400 of the common stock of the Fitchburg R. R. (carried at a ledger value of \$5,488,395). All the balance of outstanding common stock of the Fitchburg R. R. is owned by that company itself. The Fitchburg R. R. is leased. The Boston & Maine R. R. has purchased the \$3,999,800 stock of the Worcester, Nashua and Rochester R. R. (previously leased), at \$150 per \$100 share and has assumed that company's bonds. \$280,000 stock of the Boston & Lowell R. R. and \$333,500 stock of the Concord & Montreal R. R. (both leased lines) was acquired in 1911-12 at a cost of \$1,151,048. \$281,900 additional Boston & Lowell R. R.

stock was purchased in 1912-13, making a total of \$561,900 owned of a total of \$7,679,400 outstanding.

For many years prior to 1914, the Boston & Maine R. R. held control of the Maine Central R. R., owning as of June 30, 1913, \$15,960,100 of the stock (carried at a value of \$16,298,998); this included \$10,919,500 stock subscribed for in 1912-13. By vote of stockholders March 30, 1914, this stock was sold to the Maine Rys. Co. (see Maine Central R. R.), at \$95 per share, payable \$12,162,000 in 5% Notes due May 1, 1919; \$3,000,000 in Note of Maine Central R. R. to Maine Rys. Co., endorsed to the Boston & Maine R. R. (paid April 18, 1914), and \$99.75 in cash. The net loss to the Boston & Maine R. R. on this transaction was \$1,136,899, which sum was charged to profit and loss.

#### EXPENDITURES FOR BETTERMENTS FROM INCOME.

From 1901-2 to 1908-9 there was included in operating expenses a total of \$5,515,262, appropriated under separate heading for new equipment.

#### SALES OF STOCK IN RECENT YEARS.

The company, during 1906, offered to stockholders, pro rata (one share for each five owned), at \$165 per share, \$5,331,900 common stock, most of the proceeds to be used to purchase freight cars; \$3,633,700 stock was subscribed for.

\$1,128,300 of common stock previously held in treasury was sold in January, 1910, for \$1,636,035.

In 1910-11, the company offered to stockholders pro rata (one share for each three owned) \$10,633,700 new common stock at \$110 per share; about \$10,000,000 of the proceeds to be used for new equipment and the balance for improvements. \$10,436,400 of this stock was subscribed for and the balance, \$227,300 was sold at auction, July, 1911, at \$105.25 per share.

\$10,663,700 additional common stock was authorized October 9, 1912, to be offered to stockholders at par at the rate of one share of new stock for each four shares held. None of this stock had been sold to January, 1916. The proceeds of this stock issue were to have been used to pay off a part of the floating debt occasioned by the purchase of leased lines stocks and Maine Central R. R. stock.

#### BONDS AND NOTES ISSUED.

During the year 1906-7, \$10,819,044 bonds and certificates matured and were paid and \$10,000,000 4% 20-year Refunding bonds, dated September 1, 1906, were issued and sold at 101.2%. These refunding operations caused an annual saving in interest and sinking fund payments of \$267,246.

In 1909 the company sold \$11,700,000 (\$12,000,000 authorized) 4½% bonds due April, 1929, the proceeds to be used to extinguish the company's floating debt amounting to \$11,350,000.

The bonds of the Boston & Maine R. R. outstanding June 30, 1915 (\$43,338,000), bear interest at the average rate of 4.05%.

Bonds of leased lines outstanding (\$44,051,000) bear interest at an average rate of 4.13%. Notes of leased lines outstanding amount to \$5,194,000; all, excepting \$135,000 5½%<sup>s</sup>, bear interest at 6% per annum. These Notes mature between March 1 and June 2, 1916. The total capital stock of leased roads outstanding June 30, 1915, was \$60,849,700, on which dividends were paid in 1914-15 at an average rate of 5.55%.

\$12,000,000 4% One-Year Notes due June 10, 1913, were issued in 1912 to refund \$8,250,000 maturing Notes and to pay for leased line stocks purchased (see a preceding paragraph). These Notes were retired at maturity with part of the proceeds of the sale of \$17,000,000 One-Year 6% Notes due June 2, 1914. The balance of the proceeds of this Note issue, together with the proceeds of an issue of \$10,000,000 One-Year 5% Notes due February 3, 1914, (mostly extended to June 2, 1914, at 6¾%), was used to purchase \$10,918,500 Maine Central R. R. and \$281,900 Boston & Lowell R. R. stock and for improvements. On June 2, 1914, the holders of the \$27,000,000 Notes were given the option of extending for one year at 6% per annum, or of extending 60% on the same terms and 40% in 5-year 5% Notes of the Maine Rys. Co. On June 30, 1914, \$24,310,000 of these Notes remained outstanding, including \$2,646,000 Notes, the holders of which had not agreed to an extension (\$2,690,000 Notes were exchanged for Maine Rys. Co. Notes). At maturity, March 2, 1915, Noteholders were again requested to extend their Notes, this time to September, 2, 1915, at 6% or else to extend 65% of their Notes and receive 35% in Maine Rys. Co. 5% Notes. To June 30, 1915, the adjustment of these Notes had been as follows: Notes settled by delivery of Maine Rys.' Notes, \$5,487,400; Notes settled by verdicts secured by holders as a result of court proceedings, \$1,486,000; Notes extended to September 2, 1915, \$17,083,600; Notes on which suit was pending or on which no action had been taken, \$253,000. A further extension for 6 months at 6% was asked prior to September 2, 1915. About 98% of the Noteholders agreed either to extend their Notes or to extend 80% of their Notes and receive 20% in Maine Rys. Co. 5% Notes. This reduced the Notes outstanding to \$13,300,000, due March 2, 1916.

Under date of February 11, 1916, Noteholders were asked to extend their Notes until June 2, 1916 at 6%. At the same time it was announced that a Plan of Consolidation of the Boston & Maine R. R. and certain leased roads had been formulated. Under the plan the Boston & Maine R. R. will authorize an issue of first preferred stock, cumulative after three years, having priority over the existing Boston & Maine R. R. preferred stock. Of the new first preferred stock \$7,679,400 carrying dividends at the rate of 8% per annum will be offered in exchange for a like amount of 8% guaranteed stock of the Boston & Lowell R. R., and \$18,860,000

carrying dividends at the rate of 5% per annum will be offered in exchange for a like amount of Fitchburg R. R. 5% guaranteed preferred stock. Common stockholders of the Boston & Maine R. R. will be asked to participate in the plan under following conditions, these conditions being optional with the stockholder:

	Pay Cash	Receive	Retain
		6% 1st Pfd. Stock	Common Stock
(1)	\$15,802,040 (40%)	\$15,802,040 (40%)	\$39,505,100 (100%)
(2)	1,975,255 (5%)	None	39,505,100 (100%)
(3)	None	None	31,604,080 (80%)

The Boston & Maine R. R. preferred stockholders will be allowed to purchase first preferred stock at par to the extent of 40% of their holdings. They will not be asked to fulfill conditions (2) and (3) as above.

Holder of large amounts of Boston & Lowell R. R. stock and Fitchburg R. R. preferred stock have agreed to the consolidation under the terms stated above. It is contemplated that a similar offer will be made to stockholders of other lines leased by the Boston & Maine R. R.

The Boston & Maine R. R. guarantees \$2,228,000 bonds of other companies (contingent liabilities) and \$2,300,000 Notes (joint guarantee).

## MISCELLANEOUS.

The stock outstanding on June 30, 1915, was owned by 8,200 stockholders, residing as follows:

In Massachusetts,	5,393 persons, owning	377,081 shares
In New Hampshire,	1,433 " "	16,780 "
In Maine,	645 " "	18,352 "
Residing Elsewhere,	729 " "	14,336 "

A statement of Combined Income for 1909-10 to 1914-15, of the Boston & Maine R. R. and other lines owned and controlled, including St. Johnsbury & Lake Champlain R. R., Sullivan County R. R., Montpelier & Wells River R. R., Barre R. R., Conway Electric Street Ry., etc., with inter-company transactions eliminated, showed as follows:

	Gross	Surplus
1909-10	\$45,913,250	\$2,966,644
1910-11	46,631,311	519,511
1911-12	47,826,169	1,355,172
1912-13	51,452,568	1,057,742
1913-14	51,063,231	2,769,554
1914-15	49,430,446	675,446

Current Assets June 30, 1915 amounted to \$12,276,948 against Current Liabilities amounting to \$24,281,039, the excess being included in the \$17,537,000 One-Year Notes.

See Maine Central R. R. & St. Johnsbury & Lake Champlain R. R.



## CENTRAL VERMONT RY.

See Table, page 60.

\$2,191,100 of the \$3,000,000 stock and \$1,583,300 First Mortgage 4% bonds of the Central Vermont Ry. were on June 30, 1915, owned by the Grand Trunk Ry. of Canada. Under a traffic contract the Grand Trunk Ry. agrees to make good any deficiency in earnings to meet interest on the \$12,000,000 4% bonds up to 30% of the Grand Trunk's receipts from traffic interchanged. In 1913-14, \$259,258 was advanced by the Grand Trunk Ry. for this purpose.

Reference to the table of statistics will show the striking feature of the operating expenses for years has been that Traffic, Transportation and General Expenses have absorbed a very large proportion of the gross income from operation.

On June 30, 1915, there were held in the Treasury of the company \$42,000 bonds, and \$976,000 additional bonds were pledged as part security for \$6,753,942 Bills Payable.

As of June 30, 1915, main track contained:

208 miles of 80-pound steel,	49 miles of 72-pound steel,
116 miles of 75-pound steel,	170 miles of 60- & 56-lb. steel.

A company known as the Central Vermont Transportation Co. was incorporated November 12, 1908, to build and operate a line of steamships between New London, the terminus of the Central Vermont Ry., and New York. All of the stock of this company is owned by the Central Vermont Ry., which company guarantees \$850,000 5% bonds, maturing annually until 1922. This company paid an initial dividend of \$10,000 (5%) in 1910-11. Dividends of \$20,000 were paid in 1911-12 and in 1912-13. In 1913-14, the dividend amounted to \$150,000, and in 1914-15 to \$22,500.

The Southern New England R. R. was chartered April, 1910, to build a line of road from Palmer, Mass., on the Central Vermont Ry. to Providence, R. I., where extensive terminals and docks were intended to be constructed. The railroad was intended to be owned and operated by the Grand Trunk Ry. of Canada (which see) and upon its completion the Central Vermont Ry. was intended to form part of a through route from Montreal and Canadian points to Providence, R. I.

As of June 30, 1915, the balance sheet showed Current Assets of \$1,055,527 as against Current Liabilities (including \$6,753,942 Loans and Bills Payable) of \$9,510,818. Among the Capital Assets (other than Current Assets), were \$7,217,744 Advances to Affiliated Companies.

## MAINE CENTRAL R. R.

See Table, page 61.

Dividends have been paid on the stock of this company in recent years as follows: For years prior to 1903-4, 6% per annum; 1903-4 to 1906-7 inclusive, 7%; 1907-8 to 1910-11, 8%. In

October, 1911, the rate was reduced to 6% per annum. Dividends are payable quarterly beginning January.

On July 1, 1911, \$5,004,300 stock was authorized and issued. Each stockholder was given the privilege of subscribing for one new share of stock at \$100 for each share held. The proceeds from this issue of stock were used to retire obligations maturing in 1912 (see below).

\$5,000,000 additional stock was authorized and issued to stockholders in June, 1912. Each stockholder was given the privilege of subscribing at par on the basis of one share of new stock for each two shares owned. The proceeds from the sale of this stock, were mostly used to reduce the company's indebtedness.

\$10,000,000 stock was authorized and issued to stockholders of record January 8, 1913. Stockholders were allowed to subscribe to this stock at par on the basis of two shares of stock for each three shares held. The proceeds from the sale of this stock were used to retire floating debt.

A majority (\$15,960,100 April 1, 1914), of the capital stock of this road was for a number of years owned by the Boston & Maine R. R. In order to remove the road from foreign control this stock was purchased in April, 1914 by the Maine Rys. The Maine Central R. R. subscribed at price of par to the entire stock of the Maine Rys., amounting to \$3,000,000. The latter issued \$12,202,000 5% Notes due April 1, 1919, and with the proceeds of these Notes and the sale of stock, purchased the \$15,960,100 stock of the Maine Central R. R. from the Boston & Maine R. R. at \$95.25 per share. The Maine Rys. has the privilege of selling this stock and dissolving at any time. \$5,000,000 of the Notes of the Maine Rys. are exchangeable, dollar for dollar, for Maine Central R. R. stock at any time prior to October 1, 1918. It is expected that eventually the Maine Central R. R. stock will be distributed among its stockholders, or else the company will retire same by exchanging it for bonds, notes or preferred stock. Prior to June 30, 1915, the Maine Rys. Co. retired \$233,000 of its Notes. The retirement of these Notes released \$304,700 par value Maine Central R. R. stock, which was sold to the latter company at \$95.25 per share. In addition \$4,000 Notes were exchanged for stock. As of June 30, 1915, \$11,965,000 Maine Rys. Notes remained outstanding; the latter company on that date owning \$15,651,400 Maine Central R. R. stock. The Maine Rys. paid 5% dividend in 1914-15.

In November, 1915, the Maine Central R. R. sold \$7,000,000 of an authorized issue of \$25,000,000 20-year 4½% bonds together with \$3,000,000 5% cumulative preferred stock. The sale of these securities involved the cancellation of \$9,115,000 Maine Rys. notes and likewise the cancellation of \$10,000,000 Maine Central R. R. common stock.

## OTHER COMPANIES CONTROLLED OR MERGED.

In 1904, this company acquired the \$2,500,000 stock and guaranteed an issue of \$2,500,000 3½% bonds of the Washington County Ry. This road was operated separately until July 1, 1911, when it was merged with the Maine Central R. R..

In March, 1907, and subsequently, the Maine Central R. R. acquired at a cost of \$670,225, \$705,500 of the \$736,640 capital stock of the Somerset Ry., which extends from Oakland, Me., to Kineo, Me., about 94 miles. This road was operated independently until July 1, 1911, when it was merged with the Maine Central R. R.

## GENERAL.

On April 1, 1912, \$15,484,000 bonds and Notes matured (\$3,924,000 7% bonds; the balance 4% to 5% bonds and Notes). The short-term Notes maturing amounted to \$6,500,000. \$12,000,000 One-Year 4% Notes due March 15, 1913, were sold and the proceeds used toward refunding these bonds and Notes. The \$12,000,000 Notes were paid off at maturity largely with the proceeds derived from the sale of stock (see above). On May 1, 1914, \$6,000,000 5% 5-year Notes were issued.

In February, 1916, \$300,000 4% Debenture bonds of the Portland & Rumford Falls Ry. were sold. These bonds are guaranteed as to principal and interest by the Maine Central R. R.

Current Assets, including \$1,460,453 Materials and Supplies on hand, were on June 30, 1915, \$4,179,530 and Liabilities were \$2,067,314.

## NEW YORK, NEW HAVEN &amp; HARTFORD R. R.

See Table, page 62.

The stock of this company received dividends from 1873 to 1893 at the rate of 10% per annum; in 1894 9% was paid; from 1895 to March, 1913, inclusive, 8% per annum was paid. In June, 1913, the dividend rate was reduced to a 6% basis. In December, 1913, the dividend was passed.

## INCREASE IN CAPITAL SINCE 1903.

From July 1, 1903 to June 30, 1915, the New Haven increased its capitalization in the hands of the public as follows:

	Par Value	
Capital Stock .....	\$87,216,800	
Mortgage Bonds .....	54,136,000	
*Debentures .....	145,710,900	
Short Term Notes .....	30,139,000	
Total N. Y., N. H. & H. R. R. ....		\$317,202,700
The New England Navigation Co. Notes.		20,000,000
N. Y., Westchester & Boston Ry. Bonds.		19,200,000
N. Y. Connecting Ry. one-half issue of Bonds.		8,000,000
Grand Total .....		\$364,402,700
From sale or exchange of above obligations there was secured, including premiums		\$388,049,310

Of the outstanding Debentures, \$39,029,000 6s, due 1948, are convertible into stock after January 15, 1923, and \$9,765,450 (original issue \$30,000,000—balance converted), 3½s, due 1956, were convertible into stock at 150 prior to January 1, 1916.

During the same period there was acquired additional property with book values as follows:

Additions and Betterments to The New York, New Haven & Hartford R. R. and leased lines and investment in securities of certain leased and controlled steam railroad lines .....	\$171,669,059
New York, Westchester & Boston Ry. Co.....	38,850,150
The New York Connecting R. R. Co.....	9,450,000
Grand Central Terminal Buildings, New York City	6,001,794
Total Steam Railroad and Terminal Properties..	<u>\$225,971,003</u>

## OUTSIDE PROPERTIES.

New York, Ontario and Western R. R. Stock.....	\$ 13,108,398
Rutland R. R. Securities .....	2,514,977
Gas and Water Power Companies .....	4,151,664
Miscellaneous Properties .....	1,475,673
Boston and Maine and Leased Line Stocks.....	31,079,669
Various Steamship Lines .....	14,242,719
Various Trolley Lines and Securities .....	100,527,389
Total Outside Investment .....	<u>\$167,100,489</u>
Grand Total .....	<u>\$393,071,492</u>

## GUARANTEES.

In addition to the obligations issued for various purposes as above the "New Haven" guarantees principal and interest:

Central New England Ry. First Mortgage 4% bonds	\$13,427,000
New England Investment & Security Co. preferred stock (also payment of principal at 105% on liquidation .....	4,000,000
The New England Investment & Security Co. Notes due Apr. 1, 1924 .....	5,000,000
The New England Navigation Co. Debentures in case of termination of lease of Old Colony R. R.	3,600,000
N. Y. Connecting R. R. 4½% bonds, due 1953, (as above) total issue \$16,000,000—New Haven's share .....	8,000,000
N. Y. & Stamford Ry. 4% bonds .....	247,000
N. Y., Westchester & Boston First Mortgage 4½% bonds (as above) .....	19,200,000
Springfield R. R. preferred stock—Dividend of 4% and payment of principal at 105% on liquidation	3,387,900
Boston R. R. Holding Co. preferred stock, 4% per annum and par on liquidation, outstanding shares	2,800,000
	<u>\$59,661,900</u>

## INVESTMENTS.

The "New Haven" owns securities of other companies as follows: (1) Stocks in hands of Trustees appointed by U. S. Court, \$38,125,000 par value stock of a book value of \$53,369,963; (2) Stocks pledged, \$41,038,900 par value, \$31,444,196 book value; (3) Stocks unpledged, \$77,670,041 par value, \$77,639,369 book value; (4) Bonds pledged, \$14,500,000 par value, \$14,270,027 book value; (5) Bonds and Notes unpledged, \$43,131,759 par value. A brief description of the more important companies follows:

## I.

## BOSTON &amp; MAINE R. R.

See under Boston & Maine R. R. regarding ownership of a majority of the stock of that company by the Boston R. R. Holding Co. formed in the interest of the New Haven. This latter company holds the \$3,106,500 common stock and \$24,493,900 of the \$27,293,900 preferred stock (4%) of the Boston R. R. Holding Co., which stock is carried on the New Haven's books at par. The Boston R. R. Holding Co. owns Boston & Maine R. R. stock as follows:

	Par value	Book value
Common Stock .....	\$21,918,900	\$27,927,452
Preferred Stock .....	654,300	1,060,145
Bonds .....	1,000	922

The market value of the Boston & Maine R. R. stock as of June 30, 1915, was less than \$8,000,000. Under decree of the Court the investment in Boston & Maine R. R. stocks (as above), and in its leased lines' stock (\$839,100 par value; cost \$1,417,177), is to be disposed of if possible prior to January 1, 1917.

## II.

## RHODE ISLAND CO.

The "New Haven" owns the entire \$9,685,500 par value stock of the Rhode Island Co., carried at a book value of \$24,352,336; also owns \$3,230,001 Notes. The stock is held by Trustees appointed by the U. S. Court, who under Federal Decree shall exercise their best efforts to sell same before July 1, 1919. The New Haven in part payment for this stock authorized the issue of \$19,899,000 4% Debentures of the Providence Securities Co., due May 1, 1957 (\$719,000 in Treasury of New Haven), and has subsequently assumed the same. The Rhode Island Co. operated (June 30, 1914), 345 miles of street railway and 8½ miles of steam railroad lines, of which 39 miles were owned and 315 miles

leased. For the year ending June 30, 1915, the Rhode Island Co. reported earnings as follows:

	1914-15		
Total Oper. Revenues .....	\$5,084,137	decrease	\$295,011
Net Oper. Revenue .....	1,645,863	decrease	294,025
Other Income .....	121,755	decrease	22,903
Fixed Charges (incl. taxes) ....	1,883,047	increase	146,143
Net Income .....	*115,429	decrease	463,071

\*Surplus for 1913-14, \$347,642.

No dividend was paid on the Rhode Island Co. stock in 1913-14 and 1914-15; in 1913-13, 6% was paid. Profit and Loss Surplus, June 30, 1915, \$1,360,932.

### III.

#### NEW ENGLAND NAVIGATION CO.

The "New Haven" owned as of June 30, 1915, the entire \$49,405,500 stock of the New England Navigation Co. (carried at a book value of \$53,322,899), and \$3,904,808 of that company's 4½%, 5% and 6% Notes. The New England Navigation has outstanding \$20,000,000 6% Notes, due May 1, 1917, secured by \$40,000,000 stock of the Connecticut Co., \$5,812,400 stock of the New England Steamship Co. and other stocks and bonds of subsidiaries (total par value of collateral \$74,221,400). The Old Colony R. R. and the Norwich & Worcester R. R. (both leased lines) held as of June 30, 1915, respectively, \$3,600,000 and \$675,000 New England Navigation Co. bonds.

The New England Navigation is a holding company formed primarily to acquire the securities of the ship lines affiliated with the "New Haven." The stocks of the Connecticut Co. and the Housatonic Power Co. have also been acquired. As of June 30, 1915, the New England Navigation Co. held among its securities (pledged and unpledged), the following stocks, bonds, etc. (par value of all investments, \$81,646,000; book value \$77,036,419; of which \$6,086,127 book value unpledged):

	Par value	Book value
Connecticut Co. (see a following paragraph) .....	\$40,000,000	\$40,000,000
New England Steamship Co. (pfd. and com.) .....	5,812,400	3,100,000
*Eastern Steamship Co. (pfd. and com.) ..	2,000,000	1,762,500
* " " " (bonds 5%) .....	2,500,000	2,437,500
New England Steamship Co. (bonds 5%) ..	9,000,000	9,000,000
New England Investment & Security Co. Notes .....	13,709,000	13,631,750
Hartford & N. Y. Transportation Co. (stock) .....	2,500,000	2,538,917
Housatonic Power Co. stock (see a following paragraph) .....	3,000,000	2,985,978

\*In Receiver's hands; must be sold by order of the Court on or before July 1, 1917.

For the year 1914-15 the New England Navigation Co. reported the following earnings:

	1914-15	
Gross Income (from investments)	\$1,404,869	decrease \$1,436,429
Deductions from Income	1,717,789	increase 253,945
Net Income	312,920	decrease 1,690,375

No dividend was paid on this company's stock in 1914-15, as compared with \$1,358,651 paid in 1913-14, and \$1,850,000 paid in 1912-13. There was a debit balance to Profit and Loss as of June 30, 1915, of \$62,836.

(A) NEW ENGLAND STEAMSHIP CO.

This subsidiary of the New England Navigation Co. operates various steamship lines among which are the "Fall River Line," "Providence Line," "New Bedford Line," "Norwich Line," etc. The Gross Earnings of this company for the year ending June 30, 1915, were \$4,496,857; Net Earnings were \$867,360 and Surplus, \$30,524 (an increase of \$108,326). Profit and Loss account as of June 30, 1915, showed a debit balance of \$1,121,388.

(B) HARTFORD & NEW YORK TRANSPORTATION CO.

This subsidiary of the New England Navigation Co. operates the "Hartford Line," and the "Bay State Line" of steamships (New York to Hartford, Conn. and New York to Providence, R. I.). Gross Revenue for 1914-15 was \$1,062,691 and Surplus \$88,941. A dividend of \$75,000 (3%), was paid as compared with a dividend of \$37,500 in 1913-14 and \$75,000 in 1912-13.

(C) CONNECTICUT CO.

This company operates the various street railway lines in Connecticut controlled by the New Haven. As of June 30, 1914, 705 miles were operated of which 411 miles were owned; 284 miles leased and 10 miles trackage. Among the cities served are New Haven, Hartford, Bridgeport, Waterbury, New Britain, Meriden, Middletown, etc. The \$40,000,000 stock of this company owned by the New England Navigation Co. is in the hands of Federal Trustees, who under decree of the Court shall endeavor to sell said stock prior to July 1, 1919. Gross Revenues of the Connecticut Co. for 1914-15 were \$7,960,821 and the Surplus was \$132,345. A dividend of 1% was paid as compared with 2¾% in 1913-14 and 3¾% in 1912-13. The credit to Profit and Loss as of June 30, 1915, was \$1,016,886.

(D) HOUSATONIC POWER CO.

This company (owned by the New England Navigation Co.), owns valuable water power privileges on the Connecticut River, and also owns the Watertown Gas Co., the Westport Water Co., etc. Operations for 1914-15 resulted in a deficit of \$25,311.

## IV.

## BERKSHIRE STREET RAILWAY.

This company, the entire \$5,398,100 stock of which is owned by the "New Haven" (carried at a book value of \$6,371,396), operated (June 30, 1914), 147 miles of street railway lines mostly located in western Massachusetts. By decree of the Court this stock must be sold prior to July 1, 1919. The New Haven also held on June 30, 1915, \$200,000 Debentures and \$3,364,760 6% Notes of the Berkshire St. Ry. The deficit from the operations of this company for 1914-15 amounted to \$118,094 as compared with a deficit of \$72,507 in 1913-14. There was a debit balance to Profit and Loss (June 30, 1915), of \$364,051.

## V.

## CENTRAL NEW ENGLAND RY.

This railway company operates approximately 304 miles of railway (Campbell Hall, N. Y. *via* Poughkeepsie Bridge to Hartford, Conn., etc.). The New Haven owns \$3,737,083 preferred and \$4,795,054 common, respectively of the total outstanding \$3,750,000 (4%) preferred stock and \$4,800,000 common stock. The "New Haven" guarantees principal and interest \$13,427,000 4% bonds (\$25,000,000 authorized), due 1961, of the Central New England Ry. The Central New England Ry. stock owned by the New Haven is carried at a book value of \$1,921,728.

The Income Account for the year ending June 30, 1915, showed the following results: Operating Revenues, \$4,055,046; Net Revenues, \$1,482,392; Surplus after charges, \$409,290. A dividend of \$320,826 was paid April 30, 1915, out of surplus of previous years and charged to Profit and Loss; in 1913-14, \$149,888 was paid in dividends.

## VI.

## NEW YORK, ONTARIO &amp; WESTERN RY.

The "New Haven" owned as of June 30, 1915, \$29,162,200 (50.2%) stock of the New York, Ontario & Western Ry. This stock was acquired at a cost of \$13,108,398. (See that company).

## VII.

## NEW YORK, WESTCHESTER &amp; BOSTON RY.

As of June 30, 1915, the "New Haven" owned \$4,924,937 stock (98.4%) of this company, carried at a book value of \$6,241,952.

The New York, Westchester & Boston Ry. operates about 22 miles of road extending from New York to Larchmont Jc. and White Plains. The entire line is fenced in private right of way and there are no grade crossings. A large proportion of the line was placed in operation in August, 1912. The line is to be extended to Port Chester, N. Y.



The New York, Westchester & Boston Ry. has authorized \$60,000,000 bonds, due 1946. \$21,390,000 of these bonds, bearing interest at the rate of 4½% per annum, have been issued largely to the New Haven in exchange for the old bonds held by that company. The New Haven guarantees these bonds both as to principal and interest. The New Haven owns \$2,190,000 of these bonds, having sold the balance. The New Haven also owns \$5,478,751 book value Notes of the New York, Westchester & Boston Ry. and has also made \$2,764,775 advances to the latter. These advances are carried at a book value of \$1. The balance sheet of the New York, Westchester & Boston Ry. as of June 30, 1914, showed that there existed a large floating debt.

The Income Accounts of the New York, Westchester & Boston Ry. for 1914-15, 1913-14 and 1912-13 showed the following results:

	1914-15	1913-14	1912-13
Operating Revenues .....	\$449,879	\$400,680	\$289,028
Operating Deficit after Taxes ...	44,684	159,206	275,990
Other Income .....	19,348	30,154	.....
*Fixed Charges .....	1,424,363	1,369,056	1,130,016
Deficit .....	1,449,698	1,498,105	1,406,006

\*Fixed Charges include \$1,368,065 account of interest accruing to the New Haven which was not included in the Income Account of that company.

The New York, Westchester & Boston R. R.'s balance sheet showed at June 30, 1915, a debit balance to Profit and Loss amounting to \$4,257,874.

### VIII.

#### NEW YORK CONNECTING R. R.

See Pennsylvania R. R. for description of this important line which is being constructed to connect the New Haven with the Long Island R. R. and the Pennsylvania R. R. The \$3,000,000 stock of the New York Connecting R. R. is held one-half by the New Haven and one-half by the Pennsylvania R. R.; these latter companies guaranteeing the outstanding \$16,000,000 (\$30,000,000 authorized) 4½% bonds, due 1963, of that company. It is expected that the new line will be completed late in 1916.

### IX.

#### RUTLAND R. R.

During 1910-11 the New Haven acquired from the "New York Central" one-half of its holdings of preferred stock of the Rutland R. R. (\$2,352,050 of \$4,704,100). The New Haven has obtained permission from the Public Service Commission of New York State, to purchase the remainder of the New York Central's holdings. An injunction was, however, obtained by minority stockholders restraining the transfer. The Rutland R. R. stock held by the New Haven is carried at a book value of \$2,364,977 (\$100.51 per share).

## X.

## OTHER INVESTMENTS.

Among other investments of the New Haven and its subsidiaries not hitherto mentioned are the following:

	Par Value	Book Value
*†Old Colony R. R. Stock .....	\$9,813,200	\$13,065,342
Westchester St. Ry. Stock .....	700,000	905,784
Harlem River & Port Chester R. R. Stock	1,000,000	1,000,000
†Harlem River & Port Chester R. R.		
5% Bonds .....	13,000,000	13,000,000
Harlem River & Port Chester R. R. Notes	15,000,000	.....
†Providence & Worcester R. R. Stock....	955,100	2,738,763
Vermont Co. Stock .....	650,000	571,164

\*A dividend of 7% per annum is guaranteed on this stock by the New Haven. Total stock outstanding, June 30, 1915, \$22,294,000. †Pledged as collateral for Notes.

Formerly a large proportion of the outstanding securities of the Merchants & Miners Transportation Co. was held by the New Haven. These securities were disposed of in 1914, and the loss resulting from the sale, \$3,594,500, debited to Profit and Loss.

Regarding the future sale of properties which are to be disposed of by order of the Court we quote from the remarks of the President of the company in the annual report for 1914-15:

"Unless industrial and general conditions change so as to restore the value and earning power of all transportation agencies the company will without doubt suffer considerable losses from the sale of those properties which the United States District Court has ordered sold. Whether these losses will be so great as to impair the capital stock of the company cannot be determined until sales of the various pieces of property have been made and until the valuation now being made by the Interstate Commerce Commission is completed. The directors therefore have thought it was not wise to make any general charges to Profit and Loss at this time, but simply to state that there may be large losses which may be offset all or in part by a proper valuation of the property."

## FINANCES—FLOATING DEBT.

On June 30, 1915, the floating debt of the Company in the hands of the public was \$50,139,000, including \$20,000,000 6% Secured Gold Notes of The New England Navigation Co., due May 1, 1917, for which the New Haven, as the only stockholder, must be responsible. \$27,000,000 One-year 6% Secured Gold Notes of the New Haven, mature May 1, 1916.

The amount paid for interest and discount on short term paper,

including The New England Navigation Co. and The Harlem River & Port Chester R. R. for the last two years has been:

For the year ending June 30, 1914..... \$4,483,366.48  
 For the year ending June 30, 1915..... 3,662,051.36

In May, 1915, the Massachusetts Legislature, and later the New York, Rhode Island and Connecticut Legislatures, passed bills permitting the New Haven to make a mortgage covering the entire property and having a first lien on the main line and to issue bonds to fund the outstanding Notes of the company. Also to issue preferred stock when desired.

#### CURRENT ASSETS AND LIABILITIES.

(NEW HAVEN PROPER.)

As of June 30, 1915, Current Assets (including \$5,582,699 materials and supplies), totaled \$19,539,313. Current Liabilities, (not including \$30,139,000 Loans and Bills Payable), amounted to \$13,362,811.

#### MISCELLANEOUS.

Owned and leased track operated (excluding sidings), as of June 30, 1915, was laid with rail of the various weights per yard as follows:

1 mile of 141-pound steel,	735 miles of 78- and 79-pound steel,
32 miles of 107-pound steel,	195 miles of 74- and 75-pound steel,
981 miles of 100-pound steel,	198 miles of 70- and 72-pound steel,
157 miles of 90-pound steel,	158 miles of 60- to 68-pound steel,
455 miles of 80-pound steel,	40 miles of 56-pound and lighter steel.

The annual report of the New Haven for 1914-15 states that the company has spent for additions and betterments, Grand Central Terminal Buildings, etc., during 1913-14 and 1914-15, a total of \$10,892,998. The report states that at least \$25,000,000 to \$30,000,000 must be spent in the next five years over and above operating expenses and fixed charges, for improvements, equipment, etc.

As of June 30, 1915, the stock of the New Haven was held as follows:

	Total Stockholders	Total Shares
Massachusetts .....	12,250	567,878
Connecticut .....	5,578	250,939
New York .....	4,271	531,202
Rhode Island .....	814	41,668
Miscellaneous .....	3,604	179,492
	<hr/> 26,517	<hr/> 1,571,179

## RUTLAND R. R.

See Table, page 63.

In July, 1903, dividends were suspended that all surplus earnings might be applied to improvements. Dividends were resumed in 1906 by the payment of 1½%. An equal dividend was paid in 1907 and in 1908. No dividends have since been paid.

The accumulated dividends on the preferred stock were said to aggregate 228% to January, 1916.

In 1905, control of this road passed to the New York Central & Hudson River R. R., the latter having acquired a majority (\$4,704,100) of the preferred stock. In February, 1911, one-half of this stock was sold to the New York, New Haven & Hartford R. R., and in December, 1911, the latter company requested and later received permission of the Public Service Commission of New York State to purchase the balance of the holdings of the N.Y.C. & H.R.R.R. (at a price not exceeding original cost to the New York Central), and also additional shares. Owing to opposition on the part of minority stockholders, this stock had not been transferred to February, 1916.

Practically all of the common stock has been exchanged for preferred on the basis of ten shares of common for one share of preferred.

\$103,200 preferred stock, \$500 common stock and company's bonds to the amount of \$503,700 were in the treasury on December 31, 1914. Other stocks owned included \$1,000,000 Rutland Transit Co. common stock (entire issue). This latter company owns a line of six steamships operating on the St. Lawrence River and the Great Lakes. The Rutland Transit Co. for the year 1913-14 earned gross, \$463,166; deficit after charges, \$61,630.

In 1901 the right was given to the shareholders to subscribe for new preferred stock to the amount of \$3,578,400, at \$90 per share, the proceeds to be used to pay the floating debt and to pay for improvements and for extensions. From the surplus of 1903-4, \$103,043 was appropriated to meet the cost of this improvement work. In 1905, there was expended for improvements and charged to expenses, the sum of \$77,717. Included in operating expenses during 1907 were \$125,666 extraordinary expenditures, in 1908, \$55,605, and in 1909, \$114,057.

The entire surplus earnings for 1908 and 1909 (\$273,495) was credited to "Appropriated Surplus," from which there was expended \$264,323 for equipment and for improvements.

From the surplus of 1910, 1911, 1912, 1913 and 1914 there were expended the sums of \$21,029, \$37,858, \$21,961, \$35,199 and \$35,284, respectively, for additions and betterments, and the sums of \$270,000, \$239,300, \$268,985, \$235,208 and \$168,725, respectively, were appropriated for improvements.

On December 31, 1914, Current Assets amounted to \$1,132,291 and Current Liabilities amounted to \$874,099.

**ST. JOHNSBURY & LAKE CHAMPLAIN R. R.**

See Table, page 64.

The majority of the stock (\$1,927,300 common and preferred, carried at a valuation of \$360,470) of this road is owned by the Boston & Lowell R. R., which company is leased to the Boston & Maine R. R. and additional stock (\$22,750 common and \$20,750 preferred, carried at a valuation of \$4,517) is owned by the Boston & Maine R. R. No dividends are being paid.

The Boston & Maine R. R. guarantees the interest on \$1,328,000 of the \$2,500,000 First Mortgage 5% bonds outstanding. The remaining \$1,172,000 bonds are held by the Boston & Lowell R. R. (\$740,000), and the Boston & Maine R. R. (\$432,000), and the interest on these bonds has never been paid.

Notes Payable June 30, 1915, \$845,545.

The debit balance to Profit and Loss on June 30, 1915, amounted to \$2,256,697.

On January 1, 1912, the Maine Central R. R. leased from this company 28 miles, including 23 miles from the Connecticut River, St. Lunenburg, Vt., to St. Johnsbury, the annual rental being \$20,000.

**BALTIMORE & OHIO R. R.**

See Table, page 65.

The preferred stock is limited to non-cumulative dividends at the rate of 4% per annum. The preferred and common stocks are receiving 4% and 5%, respectively, per annum, the dividends being payable in March and September. From September, 1906, to March, 1914, inclusive, the dividend rate on the common stock was 6% per annum. Prior to September, 1906, the rate was 5% per annum, and prior to September, 1905, the rate was 4% per annum.

**OWNERSHIP OF STOCK.**

On June 30, 1913, the Union Pacific R. R. owned \$7,206,400 preferred stock and \$32,334,200 common stock of the Baltimore & Ohio R. R., this stock having been purchased from the Pennsylvania R. R. in September, 1906, at 92½ for the preferred and 120 for the common. The Pennsylvania R. R. retained a large stock interest in the Baltimore & Ohio R. R. On December 31, 1912, the Pennsylvania Lines owned \$21,273,600 preferred and \$21,273,600 common stock of the Baltimore & Ohio R. R., which stock in July, 1913, was acquired by the Union Pacific R. R. in exchange for Southern Pacific Co. stock. The Union Pacific R. R. on July 12, 1914, distributed among its stockholders as a special dividend the Baltimore & Ohio R. R. stock, consisting of \$50,013,765 common and \$26,674,008 preferred (see Union Pacific R. R.).

## SECURITIES OWNED.

On June 30, 1915, the Baltimore & Ohio R. R. owned \$6,065,000 first preferred, \$14,265,000 second preferred, and \$10,002,500 common stock of the Reading Co. This stock was acquired in 1901, in which year the market price of Reading Co. common stock ranged from 24½% to 58%. These three classes of stock were carried on the books of the Baltimore & Ohio R. R. as of June 30, 1914, at a book value of about 89%, 77% and 55½% of par respectively. In 1915, the New York Central R. R. held in its treasury approximately a like amount of each of the above Reading Co. securities. On June 30, 1904, the Baltimore & Ohio R. R. held \$3,950,000 additional Reading Co. common stock, but this amount was sold during 1904-5.

On June 30, 1915, the Baltimore & Ohio R. R. owned stocks of a total par value of \$56,777,397, carried at a book value of \$35,523,881, and bonds of a total face value of \$47,332,950, carried at \$42,452,782.

The Baltimore & Ohio R. R. owned on June 30, 1915, the \$1,050,000 stock of the Staten Island Ry., also \$8,000,000 (entire issue) of the stock of the Baltimore & Ohio Chicago Terminal R. R. (see following), and \$32,000,000 of the latter company's 4% bonds. These companies, as well as the Staten Island Rapid Transit Ry., are operated separately.

The appropriations from surplus earnings for additions and improvements during the past sixteen years have been as follows:

Year 1899-0.....	\$2,540,230	Year 1905-6.....	\$4,066,038
Year 1900-1.....	2,740,932	Year 1906-7.....	4,099,981
Year 1901-2.....	2,765,194	Year 1907-8.....	265,950
Year 1902-3.....	4,073,000	Year 1908-9.....	546,048
Year 1903-4.....	2,408,650	Year 1909-10.....	415,761
Year 1904-5.....	2,979,454	Years 1910-11 to '14-'15	None

## COMMON STOCK ISSUED AT PAR.

In 1901, \$15,000,000 convertible 4% debentures were issued. All have been converted into common stock. In addition to the common stock issued in exchange for these debentures, the following amounts of common stock have been sold at par to stockholders: 1901, \$22,537,200; 1902, \$42,316,860; 1906, \$27,750,000; thus a total of over \$107,000,000 common stock has been issued for an equivalent amount in cash. The proceeds from the sales of stock have been used for the most part for improvements and the purchase of equipment.

The capital expenditures for thirteen years to December 31, 1909, amounted to \$151,704,000.

## CONVERTIBLE BOND ISSUE.

The Baltimore & Ohio R. R. authorized in January, 1913, an

issue of \$63,250,000 4½% twenty-year Convertible Gold bonds dated March 1, 1913, and convertible into common stock until March 1, 1923, at \$110 a share. Holders of preferred and common stock of record January 24, 1913, subscribed for these bonds at 95½ and interest to the extent of 30% of their holdings.

#### CINCINNATI, HAMILTON & DAYTON RY.

Negotiations were made effective July 1, 1909, whereby the Baltimore & Ohio R. R. will acquire on July 1, 1916, at a price then to be agreed upon or determined by arbitration (said price not to exceed \$3,270,970 and not to be less than \$2,530,000), the controlling stock of the Cincinnati, Hamilton & Dayton Ry. In this connection a plan was effected for adjustment of future interest charges and the payment or adjustment of the floating debt of the Cincinnati, Hamilton & Dayton Ry., and providing approximately \$7,000,000 for improvements and working capital. Under this plan the B. & O. R. R. guaranteed \$12,500,000 of the Cincinnati, Hamilton & Dayton Ry.'s First and Refunding Mortgage 4% 50-year bonds, dated July 1, 1909 (\$9,177,000 in hands of the public), and \$11,557,000 of that Company's 4% Notes, due July 1, 1913 (taken up at maturity by the Baltimore & Ohio R. R.), secured by a deposit of \$13,000,000 of the First and Refunding bonds. Also upon the acquisition under the agreement of the stock of the Cincinnati, Hamilton & Dayton Ry., the B. & O. R. R. is obligated either to purchase at 85 or guarantee \$20,000,000 of that Company's General Mortgage bonds, due July 1, 1939. On July 2, 1914, Receivers were appointed for the Cincinnati, Hamilton & Dayton Ry. (which see).

#### GENERAL.

See Notes of the Baltimore & Ohio Chicago Terminal R. R. for full information regarding the purchase of this company by the Baltimore & Ohio R. R.

The Baltimore & Ohio Chicago Terminal R. R. made a mortgage dated April 1, 1910, to secure an authorized issue of \$50,000,000 First Mortgage 4% bonds, due April 1, 1960, guaranteed by the B. & O. R. R. Of the \$33,000,000 of these immediately issuable, the Baltimore & Ohio R. R. had to June 30, 1915, acquired \$32,000,000, the remainder being held in the treasury of the Terminal Co.

In 1910, an issue of \$50,000,000 3-year 4½% Secured Notes was authorized for improvements, equipment, etc. \$40,000,000 of these Notes were immediately issued and \$10,000,000 were later sold to retire \$10,000,000 4% Notes due March, 1911. These Notes were retired at maturity June 1, 1913, with part of the proceeds of the \$63,250,000 Convertible 4½% bonds sold.

Under date of July 1, 1913, \$20,000,000 5% One-Year Notes were sold to retire \$11,557,000 Cincinnati, Hamilton & Dayton Ry. 4% Notes and for other purposes. At maturity these (B. & O.) Notes were retired with part of the proceeds of \$35,000,000 One-Year 4½% Notes. The latter issue of Notes matured June 1, 1915, under which date \$20,000,000 4½% Notes, due June 1, 1917, and \$20,000,000 4¼% Notes, due June 1, 1918, were issued. The Notes are secured by \$32,000,000 B. & O. Chicago Terminal R. R. 4% bonds and \$21,000,000 Reading Co. preferred and common stock. The stockholders on November 16, 1914, authorized a General Refunding Mortgage, covering the entire system and subsidiary lines, to secure not exceeding \$600,000,000 bonds (unless stockholders should later consent to a larger issue). In December, 1915, \$60,000,000 of these bonds, bearing interest at the rate of 5% per annum, and maturing 1995, were sold. \$40,000,000 of the proceeds derived from the sale of these bonds will be used to retire the Notes due 1917 and 1918.

On June 30, 1915, Current Assets, including \$7,444,980 materials and supplies, exceeded Current Liabilities by \$17,537,228. Working Assets included \$16,718,240 cash. There was a credit balance to Profit and Loss of \$36,596,471.

Of the total tonnage carried in 1914-15 bituminous coal contributed about 46% against 47% in 1913-14.

There were located along this company's lines in 1914-15, 138 new industries.

A comparative table follows of weight of rail in main track (not including trackage) June 30, 1915, as compared with June 30, 1906:

	1915	1906
100-pound rail .....	1,364 miles	288 miles
90- " " .....	1,192 "	2 "
85- " " .....	2,081 "	3,500 "
80- " " .....	55 "	56 "
75- " " .....	310 "	314 "
68½ and 70-lb. rail .....	69 "	92 "
67-lb. and lighter rail .....	854 "	1,377 "

On December 6, 1914, the Baltimore & Ohio R. R. completed the construction of one track of a double track line and relocation of parts of the old line between Okonoke and Orleans Road, W. Va., known as the Magnolia Cut-off. With the use of this improvement which has shortened the line 5.78 miles, it has been possible to increase the east-bound slow freight train load 36.36%. The freight traffic density on this section of the line is the greatest throughout the entire system, at times exceeding 24,000,000 ton miles per mile of road per annum.



**BALTIMORE & OHIO CHICAGO TERMINAL R. R.**

See Table, page 66.

This is the successor company to the Chicago Terminal Transfer R. R.

The Baltimore & Ohio R. R., in January, 1909, purchased a large block of preferred stock of the Chicago Terminal Transfer R. R. at \$20 per share. In October, 1909, full stock control was acquired by purchase of additional preferred and common stock from the Chicago, Burlington & Quincy R. R.

On January 6, 1910, the Baltimore & Ohio R. R. purchased at foreclosure sale all of the property and franchises formerly owned by the Chicago Terminal Transfer R. R., which consist of a large railway mileage, passenger and freight terminal facilities, docks and other properties in Chicago.

The Baltimore & Ohio Chicago Terminal R. R. issued \$8,000,000 stock all of which is owned by the Baltimore & Ohio R. R. and authorized an issue of \$50,000,000 First Mortgage 4% bonds, due April 1, 1960, guaranteed by the B. & O. R. R. Of the \$33,000,000 of these immediately issuable, the Baltimore & Ohio R. R. had acquired to June 30, 1915, \$32,000,000, the remainder being held in the treasury of the Terminal Co.

The terminal properties of the Baltimore & Ohio Chicago Terminal R. R. are used by the following companies as tenants: Pere Marquette R. R., Chicago Great Western R. R., Chicago, Terre Haute & South Eastern Ry. and Chicago Junction Ry.

**BUFFALO & SUSQUEHANNA R. R. CORPORATION.**

See Table, page 67.

This company was incorporated December, 1913, to take over under foreclosure sale the property formerly operated by the Buffalo & Susquehanna R. R. The acquisition of the property followed a sale of it under the foreclosure of the mortgage securing the First Refunding Mortgage 4% bonds of the Buffalo & Susquehanna R. R., and the Buffalo & Susquehanna R. R. Corporation received the property owned by the old company free from any mortgage debt.

For several years the Buffalo & Susquehanna R. R., the predecessors of this Corporation, had operated its railroad and had met its obligations; but on June 29, 1907, there went into effect a lease covering all its physical property, assets and income, to the Buffalo & Susquehanna Ry., which had built 85.62 miles of railway from Wellsville to Bladell, N. Y., to extend the line to Buffalo. The lessee company had incurred a very heavy mortgage debt and large equipment trust obligations at the time of taking over the property under the lease.

The Railway found itself unable to meet its obligations, and first defaulted on its bonds, and then in the payment of the rent due for the use of the Railroad; while taking all the income

from the Railroad property. This rental was needed by the Railroad to pay its fixed charges, and the failure to receive it resulted in a default on the coupon of the Railroad bonds maturing July 1, 1910. A receivership followed, under which the property was operated until delivered to the Buffalo & Susquehanna R. R. Corporation December 31, 1913.

The financial straits of the lessee company had prevented it from maintaining the Railroad and rolling stock in good condition physically; and during the three and a half years of the receivership it was necessary to make considerable expenditures on the properties; the work of restoring the rolling stock not being fully accomplished at the close of the receivership.

During the receivership it was demonstrated what might be expected from the property, and on that experience the capitalization of the new company was based. The stock and bonds issued are as follows:

Common Stock (Par \$100—voting trust) .....	\$3,000,000
Preferred Stock (4% cumulative—voting trust).....	*4,000,000
First Mortgage 4% Bonds .....	†6,959,000
Equipment Trust Obligations, 5%, Assumed .....	738,000

\*Semi-annual dividends of 2% each were paid on the preferred stock July, 1915, and January, 1916.

†Total authorized issue \$10,000,000; interest rate on unissued bonds limited to 5% per annum.

The former Buffalo & Susquehanna R. R. had outstanding prior to the reorganization, \$9,510,000 First Refunding Mortgage 4% bonds, \$4,000,000 preferred stock and \$5,694,000 common stock. The common stock which was held wholly by the Buffalo & Susquehanna Ry. did not participate in the reorganization. The plan of reorganization was as follows:

Securities of former Company.	Assessed	Received		
		New Bonds	New Pfd. Stock	New Com. Stock
Bonds .....	—	70%	30%	15%
Preferred stock (\$50 par).....	10%	10%	20%	30%

The total amount of assessment paid by the holders of the old preferred stock was \$400,000.

Products of Mines (mostly bituminous coal and coke), contributed 76.4% of the total freight tonnage and 62.6% of the total freight revenues for the year 1914-15.

The Buffalo & Susquehanna Ry. is operated at an annual loss. Gross Earnings for 1914-15 were \$266,458, and there was an Operating Deficit of \$66,968. It is proposed to liquidate the company.

On December 10, 1915, the Wellsville & Buffalo R. R. was incorporated with \$850,000 capital stock as successor to the Buffalo & Susquehanna Ry. The new company is authorized to operate its line by either steam, gasolene or electricity.

### BUFFALO, ROCHESTER & PITTSBURGH RY.

See Table, page 88.

The preferred stock is entitled to non-cumulative dividends of 6% per annum. After the common stock has received 6% the two issues share pro rata.

The following dividends have been paid annually since 1904:

	1904-6	1907	1908	1909-10	1911	1912	1913-14	1915
Preferred.....	6%	6%	6%	6%	6%	6%	6%	6%
Common.....	6%	5½%	4½%	4%	5%	5½%	6%	4%

The dividend on the common stock was reduced from a 6% to a 4% basis February, 1915. In February, 1916, 2% was paid.

The dividends are paid semi-annually, February and August. See a subsequent paragraph regarding dividends paid upon the stock of the Mahoning Investment Co.

#### COAL PROPERTIES.

For a number of years the treasury assets included all except directors' shares of the Rochester & Pittsburgh Coal & Iron Co.'s stock (capital \$4,000,000).

The following dividends were paid by the Coal Co. to the Railway Co. and credited to the latter's Profit and Loss account: 1902-3, \$600,000 (18%); 1903-4, \$320,000 (8%); 1904-5, \$120,000 (3%). In 1905-6 none.

In December, 1906, the company sold its 39,995 shares of stock of the Rochester & Pittsburgh Coal & Iron Co. to the Mahoning Investment Co., a corporation with a capital of \$4,200,000, receiving the latter's stock to the amount, at par, of \$4,125,000, in consideration for said sale. This stock was distributed in December, 1906, among the holders of the preferred and common stock of the Buffalo, Rochester & Pittsburgh Ry., in the proportion of 25% of the respective holdings of each stockholder.

In August, 1907, the Mahoning Investment Co. paid a dividend of 2% on its stock. In March, 1908, and in August, 1908, 2% each was paid. In March, 1909, the dividend was passed. In 1912 the dividend was resumed by the payment of 3%. In 1913, and 1914, 3% each was also paid. In 1915 dividend was reduced to 1%.

The annual profits of the Rochester & Pittsburgh Coal & Iron Co. have been reported as follows:

Year 1906-7, (after Sinking Fund payments).....	\$360,527
Year 1907-8, " " " " .....	372,442
Year 1908-9, " " " " .....	loss 53,807
Year 1909-10, " " " " .....	133,696
Year 1910-11, " " " " .....	184,673
Year 1911-12, " " " " .....	217,572
Year 1912-13, " " " " .....	377,522
Year 1913-14, " " " " .....	148,263
Year 1914-15, " " " " .....	loss 27,622

## IMPROVEMENTS, ETC.

Appropriations from surplus earnings for improvements, construction and equipment, have been made as follows:

Year 1900-1.....	\$530,134	Year 1909-10.....	\$315,000
Year 1901-2.....	583,562	Year 1910-11.....	371,500
Year 1902-3.....	950,749	Year 1911-12.....	375,000
Year 1903-4.....	497,389	Year 1912-13.....	448,796
Year 1905-6.....	394,142	Year 1913-14.....	348,352
Year 1906-7.....	308,748	Year 1914-15.....	*111,211

\*\$45,797 of the appropriation for 1914-15 was used to retire equipment bonds, and the balance used to purchase new equipment.

No special appropriations were made during 1907-8 and 1908-9.

Prior to July 1, 1908, \$3,500,000 common stock had been sold to stockholders at par and the greater part of the proceeds used to pay for the construction of 63 miles of road (the Indiana branch).

On May 1, 1907, a new Consolidated Mortgage was created to secure \$35,000,000 50-year 4½% bonds. Of these bonds, \$3,000,000 were immediately deliverable to the company for corporate uses, \$18,145,000 were reserved for retirement of underlying obligations and the balance reserved for the future wants of the company, to be issued after July 1, 1908, at not exceeding \$1,500,000 per annum. \$9,712,000 of these bonds were outstanding June 30, 1915, and \$1,400,000 were held in the Treasury.

On June 30, 1915, Current Assets exceeded Current Liabilities by \$2,301,197. Included in Current Assets were material and supplies to the value of \$899,671.

In 1914-15 about 65% of the tonnage moved over the Buffalo, Rochester & Pittsburgh Ry. consisted of bituminous coal, against 63% in 1913-14, 64% in 1912-13, 67% in 1911-12, 68% in 1910-11, 65% each in 1909-10, 1908-9, 1907-8 and 1906-7, 62% in 1905-6, 67% in 1904-5 and 64% in 1903-4.

Products of Mines totalled about 74½% of the freight tonnage moved in 1914-15.

As of June 30, 1915, main and second track contained:

130 miles of 100-pound rail,	23 miles of 85-pound rail,
471 miles of 90-pound rail,	150 miles of 80-pound rail,
9 miles of 71 and 60-pound rail.	

356 miles of sidings contained 80-pound and heavier rail.

## CENTRAL R. R. OF NEW JERSEY.

See Table, page 69.

Dividends are paid quarterly, beginning February. The dividend rate was increased in February, 1902, to 8% per annum, which rate was paid in 1908-9, but in December, 1909, an extra

dividend of 2% was declared. In 1910, 1911, 1912, 1913, 1914, and 1915, regular quarterly dividends of 2% each were paid. There were also paid in each of these years from profits of the Coal Co. extra dividends of 2% each in June and December, making 12% paid in each calendar year.

As of June 30, 1915, the Reading Co. owned \$14,504,000 of the capital stock of the Central R. R. of New Jersey. This stock was acquired in 1901.

#### COAL PROPERTIES.

The Central R. R. of New Jersey owns practically all the stock of the Lehigh & Wilkes-Barre Coal Co., viz.: \$8,489,850 of \$9,210,000 outstanding; also \$1,041,000 of that company's bonds. The stock is carried on the company's books at a cost or book value of approximately \$2,528,000.

The gross earnings of the Lehigh & Wilkes-Barre Coal Co. were for 1914-15, \$16,755,471 against \$18,444,813 in 1913-14; \$20,628,564, 1912-13; \$18,742,624, 1911-12; \$16,879,575, 1910-11, and \$16,284,969, 1909-10. The surplus for the year, 1914-15, after payment of \$1,197,300 in dividends, was \$1,414,555 (\$2,146,178, 1913-14; \$3,225,589, 1912-13). Earnings of Coal Department are reported separately.

In December, 1909, an initial semi-annual dividend of 6½% was declared on the Coal Co.'s stock, which rate has been maintained. The sums secured by the C. R. R. of N. J. from these dividends were slightly in excess of the extra dividends declared by the company in 1910, 1911, 1912, 1913, 1914 and 1915.

The total bonded debt of the Coal Co. amounted, on June 30, 1915, to \$14,496,000 Consolidated Mortgage 4% serial bonds of an authorized issue of \$20,000,000, guaranteed principal and interest by the Central R. R. of N. J., which company owned (as stated above) \$1,041,000 of these bonds.

#### GENERAL.

Jointly and severally with the Lehigh Coal & Navigation Co. the C. R. R. of N. J. guarantees principal and interest of \$1,062,000 General Mortgage 5s (\$2,587,000 outstanding) of the Lehigh & Hudson River Ry. The C. R. R. of N. J. guarantees the \$4,987,000 5s, due 1921, of the American Dock & Improvement Co.

As of June 30, 1915, C. R. R. of N. J. owned among other securities, \$3,000,000 American Dock & Improvement Co.'s stock, \$2,000,000 stock of the New York & Long Branch R. R., \$570,000 of its own Equipment bonds, and \$1,167,000 C. R. R. of N. J. General Mortgage 5% bonds. \$1,600,000 Lehigh Valley R. R. stock previously owned was sold and the profit derived from the same (fully \$2,000,000) was mostly included in Other Income in the annual report of the company for 1909-10. There were owned a total of \$21,228,256 par value of stocks of various com-

panies carried at a book value of \$13,553,885; also \$8,677,800 face value of bonds, carried at \$8,571,349. A large part of the stocks were pledged, but the bonds were unpledged.

From the surplus earnings for recent years there have been appropriated for improvements, additions, new equipment and depreciation, the following sums:

Year 1903-4.....	\$1,665,146	Year 1908-9.....	\$2,000,000
Year 1904-5.....	2,697,702	Year 1909-10.....	4,000,000
Year 1905-6.....	3,373,799	Year 1910-11.....	3,000,000
Year 1906-7.....	3,512,062	Year 1911-12.....	2,000,000
Year 1907-8.....	2,000,000	Year 1912-13.....	4,040,467

The amount of stock and bonds of this company outstanding in the hands of the public, June 30, 1915, compares with June 30, 1905, as follows (this does not include bonds and Equipment Certificates in Treasury):

	June 30, 1905	June 30, 1915		
Stock .....	\$27,425,800	\$27,436,800	Increase	\$11,000
Bonds .....	49,128,000	45,661,000	Decrease	3,467,000

The balance sheet as of June 30, 1915, showed Current Assets (including \$2,059,886 material and supplies), \$9,704,210 and Current Liabilities, \$4,633,299. The Profit and Loss Surplus was \$15,232,283. Additional Expenditures on Property through Income and Surplus to an amount of \$21,193,298 were carried on the balance sheet as Corporate Surplus.

### CUMBERLAND VALLEY R. R.

See Table, page 70.

The preferred issues and the common are receiving 8% per annum, payable quarterly, beginning January. This rate has been paid since 1885. An extra dividend of 4% was paid on all classes of stock in 1908 and 1909.

This company has no bonded debt other than \$5,420 Equipment Trust Obligations.

During recent years appropriations have been made for betterments or sums have been credited to Reserve for Additions and Betterments, as follows:

Year 1914.....	\$520,545	Year 1908.....	\$719,017
Year 1913.....	424,859	Year 1907.....	842,873
Year 1912.....	445,866	Year 1906.....	820,396
Year 1911.....	302,959	Year 1905.....	709,031
Year 1910.....	543,717	Year 1904.....	436,830

To represent a portion of the surplus income expended in past years for improvements, etc., an extra dividend of \$100 in common stock per \$50 share of stock (all classes) was declared to holders of record December 31, 1909.

Coal and Coke contributed about 73% of the total tonnage carried in 1914.

In December, 1906, the Pennsylvania R. R. offered to exchange three shares of its stock for one share of Cumberland Valley R. R. stock, and to December 31, 1914, had acquired under this offer all excepting \$24,900 par value of the outstanding stock. For a number of years the majority of stock had been owned by the Pennsylvania R. R.

As of December 31, 1914, Current Assets amounted to \$1,148,076, while Current Liabilities were \$531,646.

With the operated mileage practically unchanged the total tonnage of freight moved one mile increased from 47,960,424 in 1900, to 535,503,153 in 1913 (451,114,915 in 1914); Gross Revenue increased in the same period from \$1,052,377 to \$3,574,335 (\$3,227,054 in 1914), and the Net Earnings from \$255,218 to \$1,071,443 (\$1,025,549 in 1914).

### DELAWARE & HUDSON CO.

See Table, page 71.

Dividends are paid quarterly, beginning March. The dividend rate is at present 9%, the rate having been raised in January, 1907, from 7% to 9%. A dividend of 9% (in quarterly payments) has been declared for the calendar year 1916.

From the date of its organization (1826) to December 31, 1915, this company has paid a total of 222 cash dividends aggregating 677% or approximately \$118,530,000.

For years a large amount of betterment and new work has been provided for by charges to expenses, both in the Railroad and Coal Departments.

#### ISSUES OF NEW SECURITIES DURING RECENT YEARS.

To provide for the payment of maturing bonds, and for other purposes, there was sold to stockholders in 1904, \$7,000,000 of an authorized issue of \$10,000,000 new capital stock at \$135 per share.

On April 1, 1906, \$7,000,000 6% and \$3,000,000 7% bonds of the Albany & Susquehanna R. R. matured. To provide funds for the retirement of these bonds there were offered at par to stockholders \$10,000,000 Albany & Susquehanna R. R. 3½% bonds dated April 1, 1906, and convertible at option of holder until April 1, 1916, into capital stock of the Delaware & Hudson Co. at the rate of \$200 in bonds for \$100 in stock. The Albany & Susquehanna R. R. is leased for 150 years from February, 1870, the rental at that time being 9% yearly on its capital stock. After the above mentioned bonds were refunded, at an annual interest saving to the Delaware & Hudson Co. of an amount equal to about 3½% yearly on the Albany & Susquehanna R. R. stock, the stockholders of the latter company claimed that the benefit resulting from this saving should accrue to their stock. The Court sustained their position. Under this judgment the Delaware &

Hudson Co. paid to the Albany & Susquehanna R. R. in 1909 the sum of \$1,350,512 and charged same to Profit and Loss. The Court further ordered the Delaware & Hudson Co. to pay to the Albany & Susquehanna R. R. a further annual rental of \$120,750, so that the yearly dividend rate on the latter company's stock has been increased to 12.45%.

To September 1, 1915, \$3,556,000 Albany & Susquehanna R. R. 3½% bonds had been converted into stock and the bonds were held in the treasury of the Delaware & Hudson Co.

In 1906, \$14,000,000 4% convertible debentures, due June 15, 1916, of the Delaware & Hudson Co. were subscribed for by stockholders at par. These debentures were exchangeable for stock until June 15, 1912, at the rate of \$200 in debentures for \$100 in stock. \$13,973,000 of these debentures remained unchanged and outstanding December 31, 1915.

In 1908, the stockholders authorized \$50,000,000 First and Refunding Mortgage 4% bonds due 1943. The bonds were subject to call as an entirety only, at 107½ on any interest day beginning May 1, 1918. Of these bonds \$13,309,000 were sold in 1908; \$7,395,000 were sold in December, 1909; \$7,000,000 were sold in January, 1911, and \$4,500,000 early in 1914, making \$32,204,000 outstanding January 1, 1916.

\$10,000,000 4½% equipment bonds, due 1922, were sold in July, 1907. \$650,000 must be set aside by the company annually to purchase these bonds or other securities or to purchase new equipment all to be held as security for this issue. Stockholders of record, September 9, 1915, were permitted to subscribe on or before October 6, 1915, to the extent of 34% of their stockholdings, to an issue of \$14,451,000 5% Debenture bonds, due October 1, 1935, and convertible into stock for ten years, beginning October 1, 1917, on the basis of \$1,500 bonds for \$1,000 par value of stock. \$5,000,000 7% bonds mature September 1, 1917.

#### SECURITIES OWNED—FINANCES.

On December 31, 1914, the Delaware & Hudson Co. owned \$27,327,074 par value of stocks and \$4,950,716 par value of bonds of other corporations. The ledger value of these securities was \$23,378,094 and \$4,724,796 respectively.

#### TRACTION LINES ACQUIRED.

In 1905, a half-interest in the stock of the Schenectady Ry. was purchased; likewise over 99% of the \$5,000,000 stock of the United Traction Co. of Albany was acquired. The stock of the latter company was increased in 1906, to \$12,500,000 to acquire most of the stock and bonds of the Hudson Valley Ry., an electric road. The Delaware & Hudson Co. owned on December 31, 1914, \$12,499,600 of the stock of the United Traction Co., and also



controlling interest in various other traction lines. These companies in recent years have paid dividends as follows:

	1909	1910	1911	1912	1913	1914
United Traction Co. ....	4%	4%	4%	4%	4%	2%
Troy & New England Ry..	4%	4%	4½%	3%	2½%	2½%
Schenectady Ry.....	4%	6½%	6%	6%	6%	6%
Plattsburgh Traction Co. .	4%	5%	6%	5%	5%	4%

#### COAL DEPARTMENT.

The amount of anthracite coal produced by the Coal Department during 1914 was 7,400,695 tons, of a total of 68,342,601 tons produced in the region during that year. The estimated amount of mineable coal owned and controlled January 1, 1909, was considerably above 600,000,000 tons. Value of unmined coal owned and controlled as shown among assets (1914) was \$14,667,664.

47% of the total revenue freight tonnage moved in 1914 consisted of anthracite coal, against 44% in 1913, 41½% in 1912, 47% in 1911, 44% in 1910, 43% in 1909, 52% in 1908, 49% in 1907. About 57% of the total freight tonnage moved in 1914 consisted of coal and coke.

In order to comply with the terms of the decision on the commodities clause of the Hepburn law, the company arranged in 1909, to turn over to the Hudson Coal Co., all of whose stock it owns, its entire present and future output of coal. At the same time the Delaware & Hudson Co. made a contract with the Hudson Coal Co., by which the latter purchases outright, at the pit-mouth, all the coal produced from the mines owned by the former.

The earnings of Coal and Sales Department since 1903 (Coal Mining Department following 1908) have been as follows:

	Gross Earnings	Profit (not including interest on investments)
1903.....	\$20,183,231	\$3,550,626
1904.....	19,032,414	1,828,986
1905.....	20,214,296	1,790,699
1906.....	18,571,342	1,049,048
1907.....	23,184,766	957,482
1908.....	23,847,117	853,116
1909.....	*16,340,290	*206,454
1910.....	*11,806,888	*41,923
1911.....	*13,355,014	Loss *24,301
1912.....	*13,397,557	*230,944
1913.....	*16,045,308	*801,692
1914.....	*15,517,042	*640,887

\*See next above for explanation of large decrease in earnings. The surplus of \$640,887 for 1914 remained after appropriations of \$782,645 for construction and betterments.

## MISCELLANEOUS.

Through stock ownership, the Delaware & Hudson Co., in 1906, acquired control of the Quebec, Montreal & Southern Ry. (144 miles), the Napierville Junction Ry. (28 miles), and the Greenwich & Johnsonville Ry. (32 miles). In 1909 an extension of the Quebec, Montreal & Southern Ry. was completed and placed in operation (Pierreville to Fortierville, 49 miles). Following the completion of the construction of about 50 miles additional, the Quebec, Montreal & Southern Ry. will have a mileage of 264 miles with running rights on 16 miles additional. The Delaware & Hudson Co. will then control the shortest line between Quebec and New York, between Montreal and New York, and between Quebec and Montreal.

A comparison of equipment in service on December 31, 1904, with that in service on December 31, 1914, shows the following changes:

	1904	1914	Increase
Locomotives .....	336	491	155
Passenger Cars .....	392	464	72
Freight Cars .....	13,298	19,072	6,774
Service Cars .....	541	617	76
Total.....	14,567	20,644	7,077

**DELAWARE, LACKAWANNA & WESTERN R. R.**

See Table, page 72.

Dividends are paid quarterly, beginning January. Present regular rate, 10% per annum. In December, in each of the last eleven years, an extra dividend of 10% has been paid. (See next paragraph.)

Dividend disbursements from organization to 1914 amounted to \$142,547,880 in cash and \$23,009,220 in stock. In addition valuable rights have been given to the stockholders. A total of \$10,569,500 stock of the Lackawanna R. R. of N. J. (see below), was also distributed among the Delaware, Lackawanna & Western R. R. stockholders.

## INCREASE IN STOCK.

In July, 1909, special dividends of 15% in stock and 50% in cash were declared by the Railroad Co. and the stockholders were given the right to use one-half of their cash dividend to subscribe at par for \$6,590,700 stock (entire issue) of the Delaware, Lackawanna & Western Coal Co. This company was formed in furtherance of a plan to separate the Railroad's coal business from its transportation business. Prior to the formation of the Coal Co. the Railroad Co. owned directly its anthracite mines (see following). See a following paragraph regarding dividends paid on the stock of the Coal Co.

To provide for this stock dividend of 15% and for the merger of two subsidiary companies, the authorized stock of the Railroad Co. was increased to \$30,277,000. The Railroad Co. issued to its stockholders of record December 1, 1911, \$10,569,500 stock of the Lackawanna R. R. of N. J. (\$11,000,000 authorized), being an amount equal to 35% of their respective holdings. The Delaware, Lackawanna & Western R. R. guarantees annual dividends of 4% on this stock. This stock was issued in connection with the building of a cut-off (28 miles) from Hopatcong, N. J., to near Portland, Pa. The total cost of this cut-off (December 31, 1911) was \$11,065,511.

At the annual meeting on February 20, 1912, an increase in stock from \$30,277,000 to \$42,277,000 was voted. The \$12,000,000 new stock was offered for subscription to the stockholders of record January 4, 1913, at par. The proceeds were used to shorten, by 3.6 miles, that portion of the main line between Scranton, Pa., and Binghamton, N. Y., by the construction of a 40-mile cut-off from Clark's Summit, Pa., to Hallstead, Pa.

#### GENERAL.

Appropriations from income for general renewals and betterments have been made as follows:

Year 1903.....	\$4,319,166	Year 1909.....	\$2,099,454
Year 1904.....	3,446,719	Year 1910.....	2,542,117
Year 1905.....	3,587,486	Year 1911.....	2,200,628
Year 1906.....	5,551,619	Year 1912.....	1,720,698
Year 1907.....	3,820,088	Year 1913.....	1,879,576
Year 1908.....	*2,781,603	Year 1914.....	1,299,286

*\*In former years \$1,172,121 of this amount would have been charged to Maintenance of Way.*

\$5,000,000 and \$11,677,000 7% bonds of the Morris & Essex R. R. Co., leased to the Delaware, Lackawanna & Western R. R., matured in 1914 and 1915, respectively. The \$5,000,000 bonds were paid off at maturity. The outstanding bonds, due 1915, were purchased by the Delaware, Lackawanna & Western R. R. and are held in their treasury. \$12,000,000 6% bonds of the New York, Lackawanna & Western R. R. (leased) mature in 1921. The "Lackawanna" itself has no bonds outstanding other than \$320,000 Bangor & Portland Ry. bonds.

The balance sheet as of December 31, 1914, showed Working Assets of \$25,361,218 as against Working and Accrued Liabilities of \$9,961,332. The credit balance to Profit and Loss on that date amounted to \$36,712,277.

## COAL DEPARTMENT.

Earnings of the Coal Department have been reported as follows:

	Total Sales and Earnings	Profit after all Expenditures for Improvements	Sales (tons)
1905.....	\$41,226,647	\$3,295,425	9,642,138
1906.....	38,564,171	3,655,119	9,205,728
1907.....	42,184,935	4,224,921	10,384,191
1908.....	38,185,417	4,166,792	9,610,127
1909.....	*35,535,813	4,628,771	10,565,900
1910.....	*21,708,054	3,381,262	9,916,837
1911.....	*22,506,214	3,490,085	9,891,111
1912.....	*21,659,116	3,885,508	9,233,230
1913.....	*22,695,996	3,184,686	9,244,763
1914.....	*23,949,079	†4,357,007	9,427,905

\*Decrease in Total Sales and Earnings in 1909 to 1914, inclusive, was due to the fact that the Railroad on August 1, 1909, discontinued the Sales Division of its Coal Department (see following).

†\$2,001,448 of same appropriated to cover Value in Ground of Coal Produced from Company's Fee Lands (\$1,914,666 in 1913).

The tonnage of anthracite coal moved in 1914 was 9,803,093 tons or 43% of the total tonnage against 41% in 1913, 41½% in 1912, 46% in 1911, 46% in 1910, 50% in 1909, and 55% in 1908.

It has been estimated that the total unmined coal supplies of this company approximate 400,000,000 tons of anthracite.

In conformance with the decree of the Supreme Court that railroads cannot lawfully transport in Inter-State commerce, coal owned by themselves, Sales Division of the Coal Department was discontinued August 1, 1909, and a coal selling company (Delaware, Lackawanna & Western Coal Co.), was organized. A contract was entered into with the new Coal Co. whereby the Railroad agrees to sell its coal on board cars at the mines on what is known as the 65% basis of tidewater prices; also to sell and turn over all stocks of coal along its lines and on western docks, and to lease its trestles to the Coal Co.

For the period from August 1, 1909, to December 31, 1914, the Delaware, Lackawanna & Western Coal Co. reported as follows:

	Coal Sales	Surplus	Dividends	
1909 (5 months) ....	\$16,615,694	\$657,735	\$164,751	(2½%)
1910 .....	38,668,250	1,542,616	659,070	(10%)
1911 .....	39,865,493	1,795,660	659,070	(10%)
1912 .....	39,399,909	2,644,333	659,070	(10%)
1913 .....	38,376,486	2,096,781	1,977,210	(30%)
1914 .....	39,647,591	2,082,206	1,318,140	(20%)

An extra dividend of 50% was paid on this stock July, 1915.

As previously stated, the Coal Co. has \$6,590,700 stock outstanding.

In December, 1909, the "Lackawanna" sold its holdings in Lehigh Valley R. R. stock amounting to \$1,850,000 par value. The amount realized therefrom above the original cost was \$2,622,739.

In November, 1915, the Delaware, Lackawanna & Western R. R. opened its new 39.6 mile cut-off between Clark's Summit and Hallstead, Pa., which reduces the length of the main line 3.6 miles, and by cutting down grades and curves permits a saving of 20 minutes in the time of passenger trains and an hour in the time of freight trains, besides reducing the number of engines required to haul heavy freight trains up the heavy grades between Scranton and Binghamton from five to two. The cost of the improvement was about \$12,000,000. The Tunkhannock viaduct, which forms a part of this cut-off is 2,375 feet long and 240 feet high. This structure is constructed of concrete and is by far the largest of its kind in the world.

See Table, page 73.

#### ERIE R. R.

The first preferred and second preferred stocks are limited to non-cumulative dividends of 4% per annum. From January 1, 1901, to June 30, 1907, cash dividends were paid on the first preferred stock to an aggregate amount of 22% and on the second preferred stock to an aggregate amount of 8%; total dividends paid, \$11,816,328. The usual cash dividends were omitted in the autumn of 1907, and instead thereof dividends were declared in scrip, payable 1917. The Public Service Commission forbade the issue of these scrip dividends. No dividends have since been paid.

The company has the right to retire the preferred stock at par for cash.

Appropriations for improvements, additions, etc., have been made from income as follows:

Year 1899-0.....	*\$1,177,040	Year 1907-8.....	\$575,804
Year 1900-1.....	*1,153,540	Year 1908-9.....	381,927
Year 1901-2.....	*1,257,857	Year 1909-10.....	737,087
Year 1902-3.....	2,377,856	Year 1910-11.....	1,339,737
Year 1903-4.....	1,540,320	Year 1911-12.....	582,452
Year 1904-5.....	1,360,555	Year 1912-13.....	657,588
Year 1905-6.....	1,926,973	Year 1913-14.....	502,743
Year 1906-7.....	1,642,029	July to Dec., 1914.....	751,765

\*Charged to Operating Expenses.

Since the report for 1901-2, the annual reports have not shown the amounts included in expenses for extraordinary improvements. From July 1, 1913 to December 31, 1914, \$1,164,659 and in 1912-13, \$765,519 appropriations for Sinking Fund were deducted from Surplus. Sinking Fund payments were previously included in Fixed Charges.

## EXPENDITURES CHARGED TO CAPITAL.

From December 1, 1895, to December 31, 1914, \$33,221,947 had been expended for improvements and additions, and \$61,650,860 expended for new equipment and charged to capital account.

From December 1, 1895, to December 31, 1914, the Erie R. R. received \$45,541,105 cash from all sources for construction and equipment purposes as follows:

Cash turned over by the Erie Reorganization Committee.	\$4,343,850
Cash realized from sale of securities turned over by said Committee .....	2,973,199
Cash from sale of \$5,000,000 Prior Lien Bonds.....	4,539,884
Cash from sale of \$3,000,000 General Lien Bonds.....	2,484,111
Cash from sale of \$21,015,000 Convertible Bonds.....	19,215,000
Partial proceeds from sale of Collateral Gold Notes....	9,446,477
Cash from other sources.....	2,538,584
<b>Total .....</b>	<b>\$45,541,105</b>

From December 1, 1895, to December 31, 1914, the company expended from its current cash for liquidating the Receivership of the N. Y., L. E. & W. R. R. Co. and for construction and equipment purposes the sum of \$34,168,330 for which it is or will be entitled to be reimbursed from the sale of either General Lien bonds or Convertible bonds. On December 31, 1914, the company held pledged as collateral for various issues of Notes \$15,839,000 of the General Lien bonds, which had been turned over by the Trustee. These were part of \$17,000,000 General Lien bonds, reserved by the provisions of the mortgage for construction purposes. The company also held \$10,985,000 Convertible bonds (pledged as collateral for Notes). On December 31, 1914, \$7,014,000 Pennsylvania Collateral Trust bonds were held alive in the sinking fund.

## CONVERTIBLE BONDS.

To December 31, 1914, the company had sold all except \$985,000, of \$22,000,000 Series A and B bonds outstanding of an authorized issue of \$50,000,000 4% Convertible 50-year bonds. Of these bonds \$10,000,000 (Series A) were issued in 1903 for improvements and equipment. The bonds of this series were convertible at any time before April 1, 1915, into common stock at \$50 per share. Stockholders of record, October 21, 1905, were offered the right to subscribe pro rata at par for \$12,000,000 (Series B) of this issue. The bonds of the latter series are convertible into common stock at \$60 per share at any time prior to October 1, 1917. The proceeds of these bonds were applied to improvement work.

## COLLATERAL NOTES.

On April 8, 1911, \$13,984,000 6% of 3-year Notes matured, and on the same date \$12,500,000 Collateral Trust 6% Gold Notes, due April 8, 1914, were issued (see following).

On October 2, 1911, the Erie R. R. issued \$4,550,000 3-year, Collateral 5% Notes due October 2, 1914. These notes were issued

to retire \$3,000,000 Erie & Jersey R. R. Notes due December 1, 1911, and maturing Notes of the Genesee River R. R. The companies named have completed about 70 miles of low-grade cut-offs, which shorten considerably the main line of the Erie R. R. These cut-offs (which were under construction for several years) cost over \$13,000,000. (See following.)

Under date of April 1, 1912, \$10,000,000 3-year 5% Collateral Notes were sold. At the maturity of these Notes the Erie R. R., issued \$10,000,000 5% one-year Notes due April 1, 1916.

At the maturity of the \$12,500,000 6% Notes, April 8, 1914, the Erie R. R. issued \$13,500,000 5½% Notes due April 1, 1917. These Notes which are redeemable at 102 are secured by \$14,839,000 Erie R. R. General Loan 4% bonds, \$985,000 Convertible "B" bonds, \$6,306,000 N. Y., Susquehanna & Western R. R. preferred stock and by \$2,753,800 par value of other securities.

#### INCREASE IN BONDS FROM 1900.

The increase in the Bonded Debt and Notes outstanding of the Erie R. R. from June 30, 1900, to December 31, 1914, is accounted for as follows:

	Outstanding June 30, 1900	Outstanding Dec. 31, 1914	Increase
Prior Lien 4% .....	\$32,452,000	\$35,000,000	\$2,548,000
General Lien 4% .....	32,954,000	*35,885,000	2,931,000
Convertible 4% .....	None	†21,115,000	21,115,000
Pennsylvania Coll. 4% ..	None	‡26,986,000	26,986,000
Short Term Notes .....	None	28,500,000	23,500,000
Net increase in bonds (approx.) .....			\$77,080,000

\*Does not include \$15,839,000 bonds owned by the company and pledged against Notes. The Consolidated Prior and the Consolidated General Mortgage bonds have voting power—ten votes for each \$1,000 bond.

†Does not include \$985,000 Series "B" bonds and \$10,000,000 other convertible bonds deposited as part collateral for Notes.

‡Does not include \$7,014,000 bonds in Sinking Fund.

#### EQUIPMENT TRUSTS.

A large part of the expenditures for New Equipment has been financed by the sale of Equipment Trusts.

Amount of Trusts outstanding on June 30, 1900....	\$4,652,284.13
New Trusts created during 14½ years to December 31, 1914 .....	44,587,876.00
	<u>\$49,240,160.13</u>
Aggregate payments made on all Trusts during 14½ years .....	<u>32,743,194.17</u>

Equipment Trusts outstanding December 31, 1914... \$16,496,965.96

NOTE.—On June 30, 1896, Equipment Trusts were outstanding to the amount of \$6,032,693.75.

## SURPLUS EARNINGS FROM 1900.

After the payment of sinking fund charges (excepting from July 1, 1912, to December 31, 1914), taxes, rentals and all fixed charges, the total Surplus Earnings of the Erie R. R. for the 14½ years to December 31, 1914, were \$61,718,581, and were disposed of as follows:

Surplus Earnings for 14½ years to December 31, 1914.	\$61,718,581
Dividends paid .....	11,816,328
	<hr/>
Surplus after dividends paid.....	\$49,902,253
Appropriations for Additions and Betterments (also for Sinking Fund Payments since July 1, 1912)....	16,307,014
	<hr/>
Balance .....	\$33,595,239

On February 5, 1915, the Erie R. R. was granted permission by the Public Service Commission of New York to issue \$4,275,000 10-year 4½% Equipment Trust Certificates.

## RECENT FINANCING.

In February 1915 the Erie R. R. sold \$7,400,000 Erie & Jersey R. R. First Mortgage 6% bonds due July 1, 1955 and \$6,000,000 Genesee River R. R. First Mortgage 6% bonds due July 1, 1957. Each issue of bonds is subject to call as a whole or in part to July 1, 1920 at 110 and thereafter at 115, and each issue will establish a cumulative sinking fund beginning 1916. The proceeds from the sale of these bonds were mostly used to retire \$13,050,000 Notes issued to cover cost of construction of the Genesee River and Erie & Jersey cut-offs. The Genesee River R. R. (which has been merged into the Erie R. R. system) operates 32.66 miles of road between Cuba Jc. and Hunts Jc., N. Y., a section of the Erie R. R. main line New York to Chicago. The ruling grade is 0.2% eastbound and 0.3% westbound as compared with grades of 0.8% eastbound and 1.0% westbound on the old main line. The saving of time by use of the Genesee River cut-off is 1 hour and 54 minutes eastbound and 1 hour and 58 minutes westbound. The traffic density of this line (in 1913) was about 5,550,000 ton-miles.

The Erie & Jersey R. R. operates 38.6 miles of road from Highland Mills to Graham, N. Y., practically a water level route. It is double tracked throughout and carries the freight traffic of the New York division.

In June 1915 a new Refunding and Improvement Mortgage was proposed. Bonds under this mortgage can be issued to an amount equal to three times the amount of stock outstanding.

Under date of January 7, 1916, it was announced that subject to the consent of the stockholders and of the public authorities having jurisdiction, the Erie R. R. proposed to dispose of \$19,627,130 General Mortgage 4% Convertible bonds, secured by the General



Mortgage of April 1, 1903, and, at the option of the holder, convertible at par into common stock of the company at \$50 per share (i. e., \$200 par value of stock for \$100 par value of bonds) after April 1, 1918, and before October 1, 1927, and to offer such bonds for subscription at the price of 85% and accrued interest, to the stockholders of all classes and also to the holders of the outstanding General Mortgage Convertible Bonds, Series B, heretofore issued under the General Mortgage.

Each stockholder is to be offered the right to subscribe for an amount of bonds equal to 10% of the par of the stock registered in his name. Holders of the Series B bonds are to be offered the right to subscribe to the extent represented by the stock into which such bonds are convertible, the holder of each \$1,000 bond thus having the rights accruing to  $16\frac{2}{3}$  shares of stock.

The plan of the directors is to combine in one series the \$10,000,000 Series C bonds now owned by the company (previously referred to) and \$18,000,000 of bonds remaining to be issued under the General Mortgage (authorized \$50,000,000) and to confer upon the holders of all such bonds the conversion right above specified.

The proceeds of the \$19,627,130 of bonds presently to be offered for subscription as above stated (being bonds received and to be received under the provisions of the General Mortgage in reimbursement of capital expenditures) are to be used (a) \$10,000,000 in retirement of the 5% notes of the Erie R. R. which will mature April 1, 1916, (b) about \$2,000,000 to complete the double tracking and grade reduction on a stretch of about 35 miles on the Chicago & Erie Division between Lomax and Griffith, Ind., and to increase terminal facilities, and (c) to provide in part for the retirement of the company's issue of  $5\frac{1}{2}$ % Notes due April 1, 1917. The retirement of that issue of notes will complete the refunding of all of the company's short term debt, which in March, 1914, amounted to \$34,550,000. Interest charges on the convertible bonds now proposed to be sold will be at a rate approximating  $1\frac{1}{4}$ % per annum less than that heretofore paid on the Notes to be refunded.

Referring to the sale of these bonds President Underwood in a letter to stockholders stated the following facts regarding the company:

"Since 1901, the Erie R. R. has expended about \$105,000,000 for additions and betterments, including double-tracking, improvement of grades and alignment, additional tracks and sidings, additional equipment, additions to and improvement of terminals and stations, bridges and other structures, automatic signals and interlocking plants and other safety devices, elimination of grade crossings, and other improvements ordinarily chargeable to capital account, and for the more satisfactory and efficient handling of traffic and the increased safety and convenience of the public. Of these expenditures about \$14,400,000 was appropriated, and about

0,000 additional was paid, from income, which during these amounted to about \$46,750,000 in excess of fixed charges and dividends as were paid on the preferred shares. The company still holds, as treasury assets (subject to pledge), the securities issued to it in part reimbursement for such \$30,600,000 expenditure

is believed that these expenditures have been judiciously made, they have increased greatly the capacity and operating efficiency of the property. The double tracking and reduction of grades on the company's lines to Chicago and to Buffalo, and the other capital improvements already made, supplemented by those which the issuing of these convertible bonds will enable it to make, will be near to completion the most important and essential parts of the general plan, adopted in 1902, in anticipation of the making of the General Mortgage, to enable the company to secure the funds believed to be available and to permit its handling at a lower

expense the physical character of the Erie Railroad at the beginning of the foresaid period limited its annual gross revenue to about \$30,000,000. These improvements, now nearly completed, will afford the capacity for the handling of traffic sufficient to yield a gross revenue of at least \$100,000,000 per annum.

The extent to which the capacity of the property has been increased by such expenditures is indicated by the following comparison of its gross revenue from 1902 to 1915. During this period gross revenue has increased from about \$40,000,000 for the year ended June 30, 1902, to over \$65,000,000 in 1915 (partly increased), or about 60 per cent., while during the same period revenue train mileage increased but slightly over 5 per cent. During the period of 12 years ended June 30, 1914, the average annual gross operating revenue was \$52,730,145; gross income after expenses and taxes \$17,444,892; interest, rentals, etc., \$12,569,946, net income \$4,874,946.

The actual figures for the first eleven months of 1915 are as follows:

Operating Revenue .....	\$60,374,627
Income from all sources, after expenses and taxes	20,356,766
Interest, etc. ....	3,754,459
Net income .....	9,979,597
Income after fixed charges .....	6,622,709
Adjusted Net Income after fixed charges for entire year 1915 .....	7,000,000

*NOTE:* Gross Operating Revenues for the calendar year 1915 totaled \$66,436,718 and Net after Taxes, \$20,765,971 as compared to \$59,660,224 Gross for the year 1914, and \$12,604,667 Net after

"Due largely to reduction of grades and double tracking, the increase in business during the last 15 years has not been attended with a similar increase in transportation cost. In 1901 it required 13,300,000 freight train miles to move traffic yielding a revenue of \$29,285,000, or \$2.20 revenue per train mile, while in the first ten months of 1915 it required only about 10,343,000 freight train miles to move traffic yielding a revenue of \$40,896,738, or \$3.95 revenue per train mile—an increase of 79.55%. The average number of tons of freight per train has increased from 399.57 in 1901 to 727.17 during the first ten months of this year, and during the same period the cost per ton mile has decreased from 3.92 mills to 3.40 mills.

"While the development of the system has been intensive rather than extensive, and during these years the increase in miles of road has been only 42 miles, the company has nearly doubled its second track mileage, and has materially increased its third and fourth track mileage. The ruling grade against east bound traffic on the Erie Railroad proper between Salamanca and tidewater, a distance of 414 miles, has been reduced to two-tenths of one per cent., which is lower than the ruling grade on east bound traffic on any other line, between tidewater and the western gateways at Pittsburgh, Buffalo or the Ohio state line. During the past fourteen years the average weight of rail in the main line track has been increased 10% to an average of 91 pounds, and the capacity of the bridges has been increased 31%."

#### GENERAL.

The balance sheet of December 31, 1914, showed Current Assets and Accrued Income Not Due \$17,054,848 (including \$4,637,687 materials and supplies and \$5,412,875 cash), and Current Liabilities, \$22,774,226. There was a credit balance to Profit and Loss of \$44,312,611.

\$28,297,227 or 61.0% of the total operating expenses for 1913-14 was paid by the company direct to labor, being distributed among 38,782 employees.

The coal tonnage contributed 43½% of the total tonnage transported in July 1 to December 31, 1914, against 44% in 1913-14.

About 26% of the tonnage handled in 1913-14 consisted of anthracite coal and 18% consisted of bituminous coal.

The Erie R. R. owns practically all of the stock of the New York, Susquehanna & Western R. R. Co. (operated separately).

#### FONDA, JOHNSTOWN & GLOVERSVILLE R. R.

See Table, page 74.

The preferred stock of this company (subject to call at 105) is entitled to cumulative dividends at the rate of 6% per annum, and has priority over common stock in case of liquidation. The

authorized amount of preferred stock is \$1,000,000, of which \$500,000 was outstanding November, 1915. An initial quarterly dividend of 1¼% was paid June 15, 1909, which rate (6% per annum) has since been maintained (quarterly March). Dividends on the company's common stock have been paid as follows (annually in July):

'99 to '01	'02	'03 to '09	'10 to '13
8% yearly	4%	None	2% yearly

No dividends were paid during the years 1914 and 1915.

32 miles of this road are operated by steam, the balance of the mileage by electricity.

An extension (electric) from Johnstown, N. Y., to Little Falls, N. Y., with a branch, St. Johnsville to Canajoharie (total 36 miles), is being constructed by interests allied with this company.

The bonds of this company consist of the following issues:

	Due	Authorized	Out-standing
Consolidated Mortgage 6% .....	1921	\$200,000	\$200,000
1st Consol. Rfd'g Mtge. 4½%....	1947	700,000	500,000
50-year General Rfdg 4% .....	1950	1,500,000	800,000
1st Consol. Rfd'g Gen'l 4½% ....	1952	7,000,000	5,150,000
Cayadutta Electric Ry. Mtg. 6%..	1922	350,000	350,000
		<u>\$9,750,000</u>	<u>\$7,000,000</u>

On June 30, 1915, Current Assets were \$439,268 and Current Liabilities were \$417,166.

### LEHIGH & HUDSON RIVER RY.

See Table, page 75.

An initial dividend of 4% was paid on the stock of this company December, 1912. In December, 1913, and in December, 1914, 4% each was paid. In 1915, 8% was paid, 4% June and 4% December.

The control of this company is held by the Lehigh Coal & Navigation Co. and by various railroads. Of the \$1,340,000 stock outstanding, \$507,900 is owned by the Lehigh Coal & Navigation Co.; \$163,200 by the Pennsylvania R. R.; \$163,100 by the Lehigh Valley R. R.; \$163,100 by the Erie R. R.; \$163,200 by the Delaware, Lackawanna & Western R. R., and \$163,300 by the Central R. R. of N. J., which last named company, together with the Lehigh Coal & Navigation Co., guarantees principal and interest, \$1,062,000 of the \$2,587,000 General Mortgage 5% bonds, due 1920. The stock owned by the Erie R. R., Pennsylvania R. R., Lehigh Valley R. R. and "Lackawanna" was acquired by these companies in 1904, at a cost of \$76 per share.

In addition to the \$2,587,000 (\$3,000,000 authorized) General Mortgage 5s, there are outstanding \$164,000 Second Mortgage 5s

due 1917; \$400,000 Debenture 4s due 1920 (largely or wholly owned by companies in control), and \$40,000 Equipment 4½s due 1916.

The main track of the Lehigh & Hudson River Ry. contained on June 30, 1915: 32 miles of 100-pound steel and 43 miles of 80-pound steel.

Working Assets as of June 30, 1915, were \$774,855, as against Working Liabilities of \$415,646.

In 1914-15, tons of freight carried one mile were 316,250,138, as against 111,986,219 tons carried one mile in 1907-8 and 45,207,819 tons carried one mile in 1904-5. The total tonnage handled in 1914-15 was 4,624,619, against 905,377 tons handled in 1904-5.

### LEHIGH & NEW ENGLAND R. R.

See Table, page 76.

A total of \$5,997,500 of the \$6,000,000 stock of this company is owned by the Lehigh Coal & Navigation Co. On December 31, 1913, an initial semi-annual dividend of 4% was paid. The rate of 8% per annum has since been maintained.

The authorized capital stock has been increased from \$3,000,000 to \$7,500,000, and the amount of stock outstanding from \$1,000,000 to \$6,000,000 (see following). The par value of the stock is \$50.

In 1908, \$7,500,000 General Mortgage 4% bonds due 1953 were authorized, \$3,450,000 to retire underlying bonds and the balance (\$4,050,000) for future requirements. \$2,885,000 of these bonds were outstanding June 30, 1912. During 1912-13 these \$2,885,000 bonds, together with \$529,000 bonds held in the treasury were retired and cancelled, and the mortgage satisfied. To finance the purchase of these bonds \$3,145,000 stock was sold at par.

As of June 30, 1915, the company had outstanding \$1,000,000 First Mortgage 5% bonds due 1945, \$3,507,000 General Mortgage 5% bonds due 1954, and \$1,800,000 4½% Equipment bonds maturing serially to 1929. The General Mortgage bonds referred to are part of an authorized issue of \$15,000,000. The unissued bonds are reserved mostly for extensions, betterments, purchase of securities, etc.

In 1912-13 this company completed a new branch line from Danielsville, Pa., to Tomaqua, Pa. (about 32 miles), connecting with certain of the mines of the Lehigh Coal & Navigation Co. A line from Clyde to Catasauqua, Pa., was also constructed. In 1912-13 trackage arrangements were made whereby the Lehigh & New England R. R. uses the tracks of the New York, Susquehanna & Western R. R. from Hainesburg Jc., N. J., near the Pennsylvania State Line to Little Ferry, N. J. (80 miles), giving the former a through line from the coal fields to New York Tidewater. Trackage arrangements have also been made with the Erie R. R. whereby trackage rights have been secured from Pine

Island Jc., N. Y., to Campbell Hall, N. Y. (17 miles). This affords through connection with points in New England and on the Hudson River.

As of June 30, 1915, Current Assets amounted to \$1,102,210, as against Current Liabilities of \$587,184.

### LEHIGH VALLEY R. R.

See Table, page 77.

The following dividends have been paid on both classes of stock since 1904 (no dividends had been paid on the common stock prior to that date since 1893):

	1904	1905	1906	1907 to 1910	1911 to 1915
Preferred .....	10%	10%	10%	10% yearly	10% yearly
Common .....	1%	4%	4%	6% yearly	10% yearly

Dividends are paid quarterly beginning January.

An extra dividend of 10% was paid from accumulated surplus February, 1912. Stockholders were given the privilege of subscribing at par for stock of the Lehigh Valley Coal Sales Co. to an amount equal to this dividend received. (See a following paragraph under Coal Department.)

#### STOCK PREVIOUSLY OWNED BY OTHER COMPANIES.

In 1901 representatives of the Erie R. R., Lackawanna, Central R. R. of N. J., Reading Co., and Lake Shore & Michigan Southern Ry. entered the directorate of the company. During recent years these holdings have been disposed of by the various railroads mentioned. The companies which owned Lehigh Valley R. R. stock realized large profits from the sale of same.

#### BONDS.

In 1903 a General Consolidated Mortgage securing bonds to the amount of \$150,000,000 was created. Bonds to be issued under this mortgage were to provide for the retirement of over \$94,000,000 outstanding fixed obligations of the railroad company and for all reasonable demands of the future for improvements. Provision is made that any amount not exceeding \$25,000,000 in the aggregate may be made convertible into capital stock of the company. On June 30, 1915, there were outstanding in the hands of the public \$36,639,000 General Consolidated Mortgage bonds, \$26,639,000 bearing interest at 4% per annum and \$10,000,000 at 4½% per annum. As against the sale of these bonds (1904-5 to 1913-14), there were cancelled and retired or changed from fixed obligations of the Lehigh Valley R. R., subsidiary lines and coal companies, bonds and other forms of indebtedness, to the aggregate of about \$35,000,000. In addition to the General Consolidated Mortgage bonds in the hands of the public, \$13,000,000 of these bonds (4%) were held in the treasury of the company on June 30, 1915.

On June 30, 1915, \$30,811,302 face value of securities were held unpledged in the treasury, of which \$27,676,000 were bonds (mostly company's bonds).

On November 1, 1905, the Lehigh Valley R. R. completed the purchase of the Coxe interests, including Coxe Bros. & Co., Inc., the Delaware, Susquehanna and Schuylkill R. R. (77 miles), and allied water companies. Coxe Bros. & Co., Inc., were the largest individual operators in the anthracite field, their annual capacity exceeding 2,000,000 tons. In payment for these properties there were issued \$19,000,000 4% Collateral Trust bonds. These bonds mature at the rate of \$1,000,000 each year in semi-annual installments, the last installment maturing February 1, 1926. These bonds are subject to call as a whole at 102½, or in the order of serial numbers (\$11,000,000 outstanding June 30, 1915, of which \$1,123,000 were in the company's treasury).

The amount of bonds, equipment certificates and guaranteed stocks outstanding in the hands of the public as of June 30, 1915, was \$120,518,669 as against \$121,880,669 on June 30, 1914, \$115,380,669, June 30, 1913, \$116,517,469 June 30, 1912, \$118,139,169 June 30, 1911, \$128,878,247 June 30, 1910, and \$130,761,300 June 30, 1909.

#### CAPITAL STOCK SOLD IN 1910.

In July, 1910, an increase in the common stock from \$40,334,800 to \$80,000,000 was authorized. \$20,220,550 of this stock was offered to stockholders at par, this being in the proportion of one share of new stock to two shares of old stock. \$20,166,900 of this stock was subscribed for, providing the company with an equal amount in cash, which was used to pay off \$6,000,000 7% bonds which matured in September, 1910, for the retirement of other obligations and for additions, betterments, new equipment, corporate purposes, etc. From September 1, 1910, the date on which the stock was issued, to June 30, 1915, the company retired \$18,679,538 bonds, etc., and expended \$25,983,967 for additions, equipment, property, etc. These two amounts represent a total of approximately \$15,496,605 in excess of the proceeds (\$29,166,900) derived from the sale of the above mentioned stock and the \$10,000,000 4½% bonds sold in 1913. The \$15,936,604 referred to was expended from Current Funds of the company.

Through the retirement of the 7% bonds which matured September 1, 1910, and through the retirement or purchase for the treasury of other bonds or guaranteed stocks a reduction of \$646,476 in the Fixed Charges for 1910-11 was effected. Interest and rentals for 1911-12 were \$209,267 less than in 1910-11; in 1912-13 were \$40,275 less than in 1911-12; in 1913-14 the interest and rental charges increased \$197,443 over 1912-13, and in 1914-15, there was a further increase of \$155,570.

## COAL DEPARTMENT.

In 1914-15, coal and coke traffic contributed about 45% of the gross earnings and 55.8% of the total tonnage carried.

The Lehigh Valley Coal Co. and affiliated coal companies earned net in 1914-15 after all interest charges, \$1,022,815, against \$564,860 in 1913-14, \$1,475,275 in 1912-13, \$1,162,241 in 1911-12, \$1,512,844 in 1910-11, \$1,136,543 in 1909-10, \$375,452 in 1908-9, \$388,606 in 1907-8, \$111,250 in 1906-7, \$318,489 in 1905-6, \$635,548 in 1904-5, \$856,437 in 1903-4, and \$895,918 in 1902-3. The Lehigh Valley Coal Co. and affiliated companies produce and purchase a very large part of the anthracite coal transported by the Lehigh Valley R. R. The total production of anthracite coal from the lands owned and controlled by the Lehigh Valley Coal Co. and other companies in which it is interested, through lease or ownership of stock, was 8,088,901 tons for the year 1914-15, as compared with 7,877,390 tons for the previous year. On June 30, 1915, the Current Assets of the Lehigh Valley Coal Co. were \$3,521,901 in excess of Current Liabilities. The Coal Co. had outstanding \$19,892,000 bonds, \$10,537,000 Certificates of Indebtedness were redeemed in 1912, \$3,037,000 having been paid off in cash and \$7,500,000 by the issue of an equal amount of 50-year 4% Debentures (issued to Lehigh Valley R. R.). \$2,528,880 was also paid by the Coal Co. (charged to Profit and Loss) as interest on Certificates of Indebtedness accrued prior to June 30, 1911. The Certificates of Indebtedness were formerly owned by the Lehigh Valley R. R. and pledged.

The Lehigh Valley R. R., in January, 1912, authorized an appropriation of \$6,060,800 out of the accumulated surplus of the company and the distribution of the same as a dividend on February 26, 1912, pro rata to common and preferred stockholders of the Lehigh Valley R. R.; such distribution being equivalent to 10% of the outstanding capital stock of the Railroad.

The Board of Directors of The Lehigh Valley Coal Co., on January 11, 1912, authorized the organization of a new corporation, to be called "Lehigh Valley Coal Sales Co.," with an authorized capital stock of \$10,000,000 (par value \$50 each), of which \$6,060,800 was issued immediately and were sold at par to stockholders of the Lehigh Valley R. R. to the extent of 10% of the latter's holdings of stock of the Railroad Co., the balance being reserved for such future needs as might arise. The Coal Co. entered into a contract with the Sales Co. for the purpose of having the latter purchase and sell such coal as shall be mined, purchased, owned or otherwise acquired by The Lehigh Valley Coal Co. and affiliated companies.

Dividends at the rate of 2½% quarterly are being paid on the stock of the Lehigh Valley Coal Sales Co. The Coal Sales Co. in November, 1913, declared an extra cash dividend of 25% payable January 17, 1914. Stockholders were also offered the privilege of



subscribing at par to new stock to the extent of 25% of the respective holdings.

Appropriations for additions and improvements have been made from surplus earnings of the Lehigh Valley R. R. as follows:

Year 1902-3.....	\$1,266,182	Year 1907-8.....	\$1,775,25
Year 1903-4.....	1,465,290	Year 1908-9.....	582,63
Year 1904-5.....	1,411,551	Year 1909-10.....	843,87
Year 1905-6.....	1,570,227	Year 1910-11.....	980,54
Year 1906-7.....	2,068,590	Year 1911-12.....	340,94

\$16,834,700 or 55% of the total operating expenses, including outside operations, for 1914-15, was paid direct to labor, being distributed during the year among an average of 20,173 employees.

Current Assets (including \$9,177,789 cash), as of June 30, 1915 were \$14,921,388, while Current Liabilities amounted to \$6,824,034. Profit and Loss Surplus was \$23,692,717.

### LONG ISLAND R. R.

See Table, page 78.

No dividends have been paid on the stock since 1896.

In May, 1900, a majority of the stock was purchased by the Pennsylvania R. R., which company owned, as of December 31, 1914, \$6,797,900 par value of Long Island R. R. stock.

Since the completion of the Interborough R. R. Subway and tunnel from Flatbush Avenue, Brooklyn, to New York, the permanent traffic, as well as the summer traffic, of the Long Island R. R., has been greatly increased. This traffic was augmented by the completion (in 1910) of the Pennsylvania R. R. tunnel connecting New Jersey and New York with Long Island City.

### BONDS AND DEBENTURES.

In 1903, an issue of \$45,000,000 Refunding Mortgage 4% bonds was authorized. The total amount issued under this mortgage to December 31, 1914, was \$24,008,000, of which about \$4,000,000 were issued in exchange for Unified Mortgage 4% bonds. The balance of the issue is reserved either to retire other securities or to take up underlying bonds at maturity. The company sold no bonds from 1907 to 1910, inclusive, the funds to meet the capital expenditures of those years having been advanced by the Pennsylvania R. R. In 1911, \$1,600,000 of these bonds were sold. The advances referred to amounted on December 31, 1910, to \$12,797,952, of which \$12,247,952 has been settled by the issue of Debenture bonds (see next paragraph following). The Refunding Mortgage bonds are guaranteed principal and interest by the Pennsylvania R. R. The proceeds of these bonds, as well as the advances by the Pennsylvania R. R., were used to retire old bonds as stated, to pay for double-tracking portions of the line and for the furnishing of increased facilities.

In 1909, the company authorized \$16,500,000 4% 10-year Debenture bonds to be issuable as follows: the Pennsylvania R. R. for advances \$6,062,952; \$10,437,048 reserved to be issued on account of future additions and improvements. Debentures to the amount of \$12,247,952 were issued in 1909, in 1910 and in 1912 to the Pennsylvania R. R. On February 5, 1916, the Public Service Commission of New York authorized the Long Island R. R. to issue \$13,000,000 4% 10-year Debentures to reimburse the Pennsylvania R. R. for funds advanced to pay for improvements made since 1909.

## GENERAL.

The company has completed the electrification of its lines in and adjacent to the boroughs of Brooklyn and Queens. Large sums have been expended for additional terminal facilities at Bay Ridge and Long Island City and for the Atlantic Avenue Improvement.

The debit balance to Profit and Loss Account of the Long Island R. R. as of December 31, 1914, was \$5,874,522. Non Negotiable Debt to Affiliated Companies December 31, 1914 (Notes and Open Accounts), amounted to \$15,242,391.

The growth of traffic over the lines of the Long Island R. R. is illustrated in the following table:

	1900	1914
Passengers Carried .....	12,387,649	41,634,223
Tons of Freight Carried ...	1,513,387	4,480,231
Monthly Commutation Tickets	44,612	216,728
Gross Earnings .....	\$4,557,259	\$13,220,334

## MARYLAND &amp; PENNSYLVANIA R. R.

See Table, page 79.

No dividends are being paid on the common stock.

4% was paid annually from 1902 to 1913 on the \$900,000 Cumulative Income bonds outstanding (April and October). The April, 1914, coupon was likewise paid. The October, 1914, coupon and subsequent coupons have not been paid. These bonds mature April 1, 1951.

In October, 1913, \$300,000 6% Gold Notes were issued. These Notes (\$500,000 authorized) mature October 1, 1923, and are convertible into common stock at \$50 per share until July 1, 1923.

The company guarantees principal and interest \$200,000 Maryland & Pennsylvania Terminal Ry. 5% bonds. The stock of the latter company is owned by the Maryland & Pennsylvania R. R.

A part, at least, of this line is to be operated by electricity.

Practically the entire line is laid with 70-pound to 75-pound rail.

## NEW YORK CENTRAL R. R.

See Table, page 80.

Dividends are payable quarterly, beginning January. From 1900 to 1906, 5% per annum was paid. From January, 1907, to and including January, 1908, quarterly dividends of 1½% were paid. In April, 1908, the dividend was reduced to a 5% basis. In April, 1910, the dividend rate was raised to 6%, but in April, 1911, the rate was again reduced to a 5% basis. Since 1869 the annual dividend rate on the stock has never been less than 4%.

In 1906, the Oregon Short Line R. R. (Union Pacific System) purchased \$14,285,700 stock of the New York Central at about \$137 per share. These holdings were later increased to \$20,000,000, largely by subscription to new stock at par (see following).

## CAPITAL STOCK SOLD.

During recent years new stock has been sold as follows:

In April, 1900, issued to stockholders at par.....	\$15,000,000
In 1902, issued to stockholders at \$125 per share	
Proceeds used for improvements .....	16,912,900
In March, 1906, issued to stockholders at par.....	16,947,800
In 1906, issued to stockholders at par. Proceeds used	
for improvements, new equipment and terminal	
improvements in New York .....	28,984,900
In January, 1910, issued to stockholders at par (about	
\$22,000,000 to refund 5% Notes, and about \$22,-	
000,000 for extensions, improvements, etc.) .....	44,097,300
Other increases at various times, 1900 to 1914.....	3,638,166
	<hr/>
	\$125,581,066

During the stated period above (1900-1914) over \$127,000,000 cash has been realized by the company from sales of stock at par or better.

It was announced in February, 1916, that \$16,000,000 New York Central R. R. stock, which was previously held by the New York State Realty & Terminal Co., a subsidiary of the former company, had been disposed of to investors and the proceeds used to reduce short term obligations of the New York Central R. R.

## BONDS.

A Refunding Mortgage was authorized in 1897. The bonds under this mortgage bear 3½% interest and mature in 1997. \$94,000,000 bonds of \$100,000,000 bonds authorized have been sold.

In 1904, \$50,000,000 4% Debentures were authorized, \$48,000,000 of which have been sold. These Debentures are now secured by the new Consolidated Mortgage (see following).

The Public Service Commission of New York in December, 1911, granted permission to the New York Central to purchase

all or any part of the \$10,000,000 stock of the New York & Harlem R. R. at not over \$175 per \$50 share. \$6,373,700 of stock had been acquired to December, 1914. Permission was also granted to the New York Central to issue either \$50,000,000 30-year 4% Debentures (at not less than 90), or \$30,000,000 4½% Notes to be sold at not less than 98½ and to mature within three years from date of issue; such Notes as were issued to be retired out of proceeds from the sale of the Debentures. See paragraph following.

Permission was granted by the Public Service Commission to the New York Central to purchase the \$10,000,000 Rome, Watertown & Ogdensburg R. R. stock at \$124 per share and the outstanding balance (\$1,103,000) of the \$2,223,000 Utica & Black River R. R. stock at \$184 per share, respectively. Both of these companies were leased by the New York Central and dividends of 5% and 7% respectively were guaranteed on their stocks. These stocks were acquired and the companies consolidated. \$20,000,000 of the \$30,000,000 3-year 4½% Notes authorized were sold. These Notes matured May 1, 1915. \$9,188,000 of the 4% Debentures had been issued to September, 1915. The original stockholders of the various leased lines were offered these Debentures at 92 and interest.

\$20,000,000 One-Year 5% Notes were sold under date of April 21, 1913, and 10,000,000 francs (\$2,000,000) One-Year Notes were sold in May, 1913.

In July, 1913, stockholders voted to authorize a Refunding and Improvement Mortgage not to exceed \$500,000,000 except under careful restrictions for refunding, etc.; also 4% Consolidated Mortgage bonds due 1998, to the amount of \$167,102,400. These latter bonds are to be offered in exchange for the \$109,914,400 "Lake Shore" and Michigan Central R. R. Collateral 3½% bonds and to refund the New York Central Debenture 4% bonds of 1904 (\$48,000,000) and of 1912 (\$9,188,000).

The Consolidated Mortgage was declared issuable for the following purposes: Series "A" \$90,578,400 and Series "B" \$19,336,000, respectively in exchange for \$90,578,400 N. Y. Central 3½% "Lake Shore" Collateral bonds and \$19,336,000 Michigan Central Collateral bonds; Series "C" \$48,000,000 and "D" \$9,188,000 are issuable only to refund \$48,000,000 4% Debentures due 1934, and \$9,188,000 Debentures due 1942. Both of these issues of Debentures are secured by the Consolidated Mortgage ranking, subject, however, to Series "A" and "B" bonds. The Series "A" bonds were exchangeable on and after February 4, 1916, for the "Lake Shore" and Michigan Central Collateral bonds as above.

The Refunding and Improvement bonds, are issuable in Series,

## NEW YORK CENTRAL R. R.

See Table, page 80.

Dividends are payable quarterly, beginning January. From 1900 to 1906, 5% per annum was paid. From January, 1907, to and including January, 1908, quarterly dividends of 1½% were paid. In April, 1908, the dividend was reduced to a 5% basis. In April, 1910, the dividend rate was raised to 6%, but in April, 1911, the rate was again reduced to a 5% basis. Since 1869 the annual dividend rate on the stock has never been less than 4%.

In 1906, the Oregon Short Line R. R. (Union Pacific System) purchased \$14,285,700 stock of the New York Central at about \$137 per share. These holdings were later increased to \$20,000,000, largely by subscription to new stock at par (see following).

## CAPITAL STOCK SOLD.

During recent years new stock has been sold as follows:

In April, 1900, issued to stockholders at par.....	\$15,000,000
In 1902, issued to stockholders at \$125 per share	
Proceeds used for improvements .....	16,912,900
In March, 1906, issued to stockholders at par.....	16,947,800
In 1906, issued to stockholders at par. Proceeds used	
for improvements, new equipment and terminal	
improvements in New York .....	28,984,900
In January, 1910, issued to stockholders at par (about	
\$22,000,000 to refund 5% Notes, and about \$22,-	
000,000 for extensions, improvements, etc.) .....	44,097,300
Other increases at various times, 1900 to 1914.....	3,638,166
	<hr/>
	\$125,581,066

During the stated period above (1900-1914) over \$127,000,000 cash has been realized by the company from sales of stock at par or better.

It was announced in February, 1916, that \$16,000,000 New York Central R. R. stock, which was previously held by the New York State Realty & Terminal Co., a subsidiary of the former company, had been disposed of to investors and the proceeds used to reduce short term obligations of the New York Central R. R.

## BONDS.

A Refunding Mortgage was authorized in 1897. The bonds under this mortgage bear 3½% interest and mature in 1997. \$94,000,000 bonds of \$100,000,000 bonds authorized have been sold.

In 1904, \$50,000,000 4% Debentures were authorized, \$48,000,000 of which have been sold. These Debentures are now secured by the new Consolidated Mortgage (see following).

The Public Service Commission of New York in December, 1911, granted permission to the New York Central to purchase

all or any part of the \$10,000,000 stock of the New York & Harlem R. R. at not over \$175 per \$50 share. \$6,373,700 of stock had been acquired to December, 1914. Permission was also granted to the New York Central to issue either \$50,000,000 30-year 4% Debentures (at not less than 90), or \$30,000,000 4½% Notes to be sold at not less than 98½ and to mature within three years from date of issue; such Notes as were issued to be retired out of proceeds from the sale of the Debentures. See paragraph following.

Permission was granted by the Public Service Commission to the New York Central to purchase the \$10,000,000 Rome, Watertown & Ogdensburg R. R. stock at \$124 per share and the outstanding balance (\$1,103,000) of the \$2,223,000 Utica & Black River R. R. stock at \$184 per share, respectively. Both of these companies were leased by the New York Central and dividends of 5% and 7% respectively were guaranteed on their stocks. These stocks were acquired and the companies consolidated. \$20,000,000 of the \$30,000,000 3-year 4½% Notes authorized were sold. These Notes matured May 1, 1915. \$9,188,000 of the 4% Debentures had been issued to September, 1915. The original stockholders of the various leased lines were offered these Debentures at 92 and interest.

\$20,000,000 One-Year 5% Notes were sold under date of April 21, 1913, and 10,000,000 francs (\$2,000,000) One-Year Notes were sold in May, 1913.

In July, 1913, stockholders voted to authorize a Refunding and Improvement Mortgage not to exceed \$500,000,000 except under careful restrictions for refunding, etc.; also 4% Consolidated Mortgage bonds due 1998, to the amount of \$167,102,400. These latter bonds are to be offered in exchange for the \$109,914,400 "Lake Shore" and Michigan Central R. R. Collateral 3½% bonds and to refund the New York Central Debenture 4% bonds of 1904 (\$48,000,000) and of 1912 (\$9,188,000).

The Consolidated Mortgage was declared issuable for the following purposes: Series "A" \$90,578,400 and Series "B" \$19,336,000, respectively in exchange for \$90,578,400 N. Y. Central 3½% "Lake Shore" Collateral bonds and \$19,336,000 Michigan Central Collateral bonds; Series "C" \$48,000,000 and "D" \$9,188,000 are issuable only to refund \$48,000,000 4% Debentures due 1934, and \$9,188,000 Debentures due 1942. Both of these issues of Debentures are secured by the Consolidated Mortgage ranking, subject, however, to Series "A" and "B" bonds. The Series "A" bonds were exchangeable on and after February 4, 1916, for the "Lake Shore" and Michigan Central Collateral bonds as above.

The Refunding and Improvement bonds, are issuable in Series,

The Mohawk Valley Co. controlled as of December 31, 1914, several companies, principal among which was the Rochester Ry. & Light Co., a company giving lighting service to the entire City of Rochester. This company has \$12,823,000 bonds outstanding, also \$2,997,800 5% preferred stock and \$6,498,200 common stock, a majority of which is owned by the Mohawk Valley Co. The total income of the Mohawk Valley Co. and subsidiaries for the year ending December 31, 1915, amounted to \$3,868,552 and the surplus was \$621,052.

The control of the various traction lines is vested in the New York State Railways, as previously stated, a company incorporated March 23, 1909. The company at that time took over the traction properties previously controlled by the Mohawk Valley Co. The New York State Rys. owns, leases or otherwise operates 582 miles of track. These properties are in and adjacent to Rochester, Syracuse, Utica, Schenectady, Albany, Troy, etc.

The capitalization of the New York State Rys. as of December 31, 1914, was as follows:

Stock	Total	Owned by N. Y. Central
1st Preferred Stock (5%)...	\$3,862,500	\$600
Common Stock .....	19,952,400	13,604,300
	<u>\$23,814,900</u>	<u>\$13,604,900</u>

On December 31, 1914, there were outstanding \$6,925,000 New York State Rys. First Consolidated Mortgage 4½% bonds, due November 1, 1962. The authorized issue is \$50,000,000, of which \$13,496,000 is reserved to retire prior bonds at maturity. The balance is issuable under restrictions for corporate purposes, additions, betterments, extensions, etc. The total bonded debt of the company as of December 31, 1915, was \$24,030,000.

For the calendar year 1915 the earnings of the New York State Rys. and its subsidiary companies were: Gross, \$7,264,674; Gross Income, \$2,487,730; surplus, \$1,090,539 (\$1,329,216 in 1914, \$1,453,950 in 1913, and \$1,119,588 in 1912).

In July, 1910, an initial quarterly dividend of 1½% was paid on the common stock of the New York State Rys., which rate (6% per annum), was maintained until 1914; when the rate was reduced to 5% per annum. In 1915 the dividend rate was 4%.

#### EQUIPMENT TRUSTS.

Since 1906 the subsidiary lines, with the exception of the New York, Chicago & St. Louis Ry. (Nickel Plate), have been known

as the "New York Central Lines." In the years 1907, 1910, 1912 and 1913, New York Central Lines Equipment Trust Certificates were sold, such certificates being guaranteed by agreement, jointly and severally, both as to principal and interest, by the New York Central & Hudson River R. R., Lake Shore & Michigan Southern Ry., Michigan Central R. R., Cleveland, Cincinnati, Chicago and St. Louis Ry. and other New York Central lines. These certificates mature serially, the last maturity date being January 1, 1928. The Certificates as issued covered 90% of the cost of 1,619 locomotives, 888 passenger cars and 71,430 freight and service cars. The N. Y. C. & H. R. R. R.'s share of this equipment consisted of 895 locomotives, 436 passenger cars and 19,605 freight and service cars. The following table shows the total amount of Certificates issued and the amounts outstanding December 31, 1914, prior to the (Lake Shore) merger:

Series	Total Cfts. issued for 90% of value of equipment.	N. Y. Central's proportion.	N. Y. Central's proportion of cfts redeemed.	N. Y. Central's proportion of cfts outstanding.	Total cfts outstanding.
1907	\$30,000,000	\$11,904,902	\$5,555,621	\$6,349,281	\$16,000,000
1910	30,000,000	6,509,466	1,735,858	4,773,609	22,000,000
1912	15,000,000	7,156,741	954,232	6,202,509	13,000,000
1912	*7,348,000	*7,348,000	*828,000	*6,500,000	*6,500,000
1913	22,438,000	8,628,836	308,631	8,326,206	21,602,000

\* N. Y. C. & H. R. R. R.—Boston & Albany R. R. Equipment Trust of 1912.

In January, 1916, permission was asked by the New York Central R. R. of the Ohio Railroad Commission to issue \$11,730,000 4½% Equipment Certificates at 96, to provide funds to purchase 100 locomotives, 150 passenger train cars and 7,000 freight train cars.

#### CURRENT ASSETS AND LIABILITIES.

On December 31, 1914, Current Assets (including \$16,078,563 cash, and \$9,362,394 materials and supplies) were \$44,410,845 and Current Liabilities (including \$60,509,800 loans and bills payable), were \$84,395,449.

#### EXPENDITURES FOR IMPROVEMENTS—CONSOLIDATED COMPANIES.

It is stated that since January 1, 1900, the New York Central & Hudson River R. R. and the subsidiaries now consolidated with it, have expended in additions, betterments, new construction and new equipment, the sum of \$400,000,000.



Some of the more important recent outlays for betterments included in the above total are the following (mostly expended during years 1911 to 1914):

For four-tracking along the Hudson River during the past five years, with the necessary new signalling and new station facilities, over.....	\$25,500,000
Similar work on the Harlem Division has cost nearly	7,500,000
The Rome improvement, undertaken in connection with the construction by the State of the Barge canal, amounted to nearly.....	1,000,000
The building of the Gardenville freight yard, to enable trains to be handled outside of the congested districts of Buffalo, involving also the elimination of several crossings of highways at grade, required to complete over .....	3,000,000
Grade crossing elimination in the City of Buffalo, and track work in connection with same, reached.....	3,000,000
Other station and yard improvements east of Buffalo came to .....	1,500,000
New signalling cost .....	2,500,000
Work on yards, stations, shops and other facilities west of Buffalo .....	14,000,000
Electrification in New York City suburban territory with necessary equipment power houses, etc., cost nearly .....	20,500,000
	<hr/>
	\$78,500,000

#### FACILITIES AND EARNINGS.

The increase in facilities and earnings, which have taken place between the dates of the first and latest consolidations in the history of the New York Central R. R. may be seen from the following:

In 1853.  
Ten Companies consolidated into the New York Central R. R. from Albany to Buffalo.

In 1914.  
Twelve Companies consolidated into the New York Central R. R. from New York to Chicago.

307.....	Passenger Cars.....	3,608
1,702.....	Freight Cars.....	143,414
\$3,151,514.....	Passenger Earnings.....	\$62,273,848
\$2,479,820.....	Freight Earnings.....	\$105,858,426
563.....	Miles of Track Operated...	14,537
\$1,125,506.....	Dividends.....	\$12,127,525

The preliminary income account of the New York Central R. R. (consolidated system) for calendar year 1915, is here stated as follows:

	1915	1914
Operating Revenues .....	\$167,234,617	\$151,661,799
Operating Expenses .....	108,912,155	112,846,724
Net Operating Revenues .....	58,322,462	38,815,075
Other Income .....	16,986,524	16,600,902
Total Net Income .....	75,308,986	55,415,977
Fixed Charges (including for Taxes, etc. \$8,335,291) .....	48,379,507	45,147,374
Surplus .....	26,929,479	10,268,603

### NEW YORK, ONTARIO & WESTERN RY.

See Table, page 81.

Dividends were paid from 1904 to 1911 inclusive as follows: In 1905 4½% (of which 3% was the initial dividend paid in January, 1905); 1906 to 1911, 2% annually in August. In August, 1912, the dividend was passed; in August, 1913, 2% was paid. No dividends have since been paid.

A majority of the stock of this road, namely \$29,160,000 common stock and \$2,200 preferred stock was purchased in 1904, by the New York, New Haven & Hartford R. R. at \$45 per share for the common stock. In 1912 negotiations for the sale of this stock to the New York Central & Hudson River R. R. were entered into with the latter company. The Public Service Commission of New York refused to sanction this transaction. In August, 1912, the "New Haven" was granted permission by the Public Service Commission to purchase additional shares of New York, Ontario & Western Ry. stock.

In 1904, \$12,000,000 General Mortgage 4% bonds due June, 1955, were authorized, of which \$8,630,000 were outstanding June 30, 1915 (including \$1,980,000 bonds sold in 1912-13). \$2,000,000 bonds of the issue were created to reimburse the company for extraordinary expenditures made prior to the authorization of the mortgage.

On June 30, 1915, Current Assets (including \$731,721 materials and supplies) amounted to \$3,262,085, and Current Liabilities amounted to \$697,210.

In 1899 and 1900 the New York, Ontario & Western Ry. secured control of extensive coal properties, from which the majority of its coal tonnage is derived. The company issued \$5,825,000 5% Gold Notes secured by mortgages on the coal company's property. As of June 30, 1915, \$200,000 of these Notes were outstanding. A portion of these Notes is retired each year.

As of June 30, 1915, main and second track contained, exclusive of 53 miles of trackage:

54 miles of 95-pound steel,	224 miles of 76-pound steel,
77 miles of 90-pound steel,	361 miles of 76- & 75-lb. steel,
125 miles of 85-pound steel,	39 miles of 67-pound steel,
	12 miles of 56-pound steel.

### NEW YORK, PHILADELPHIA & NORFOLK R. R.

See Table, page 82.

Dividends have been paid during recent years as follows:

1903	'04	'05	'06	'07	'08-'15
6%	8%	10%	*10%	11%	12%

\*Also 25% in stock.

During 1908 the Pennsylvania R. R. secured all except \$7,250 of the \$2,500,000 New York, Philadelphia & Norfolk R. R. stock, giving in exchange therefor \$300 in 4% Stock Trust Certificates, due 1948, and guaranteed principal and interest by the Pennsylvania R. R., for \$100 in stock.

The N. Y., P. & N. R. R. on December 31, 1914, held in its Sinking Fund \$100,000 preferred stock and \$446,800 common stock of the Norfolk & Western Ry.; also \$261,250 preferred stock, and \$250,000 common stock of the Baltimore, Chesapeake & Atlantic Ry.

The stockholders have authorized an increase in the capital stock from \$2,500,000 to \$4,000,000. The new stock is to be sold at not less than par for betterments, etc.

The balance sheet as of December 31, 1914, showed Current Assets, \$967,732, and Current Liabilities, \$862,043. The report showed also an investment in Sinking and Redemption Funds of \$1,005,695. The credit balance to Profit and Loss on that date was \$1,109,451.

### NEW YORK, SUSQUEHANNA & WESTERN R. R.

See Table, page 83.

Practically all the stock of this road was exchanged in 1898 for stock of the Erie R. R. For the preferred stock Erie R. R. first preferred was offered dollar for dollar, and for the common stock, Erie R. R. common was offered dollar for dollar. The Erie R. R. as of June 30, 1915, owned \$25,599,002 of the \$26,000,000 preferred and common stocks outstanding. No dividends have been paid since 1892.

Under the mortgage of the Erie R. R.—Pennsylvania Collateral 4% bonds, \$6,630,000 common and \$6,630,000 preferred stock of this road are deposited; \$6,306,000 additional preferred stock is deposited as part collateral for the Erie R. R. 5½% Notes due 1917.

During the past eleven years the following sums have been appropriated for betterments (the surplus for that period amounted to \$1,686,214 and the appropriations totalled \$919,287):

1903-4.....	\$26,462	1909-10.....	\$1,809
1904-5.....	115,202	1910-11.....	163,904
1905-6.....	114,380	1911-12.....	88,118
1906-7.....	209,659	1912-13.....	87,783
1907-8.....	62,700	1913-14.....	35,950
1908-9.....	13,320	1914-6 months	38,729

On December 31, 1914, Current Assets (including \$620,572 cash) were \$1,170,420 and Current Liabilities were \$715,836. There was a credit balance to Profit and Loss of \$1,050,119.

The New York, Susquehanna & Western R. R. is operated independently and its accounts kept separate and distinct from those of the Erie R. R.

### PENNSYLVANIA R. R.

See Table, page 84.

Dividends are paid quarterly beginning February at the rate of 6% per annum. In November, 1906, and during 1907, a 7% rate was paid, but in 1908, the rate was reduced to the 6% basis. From 1899 to August, 1906, the rate of dividend was 6% per annum.

During the period from December 31, 1860, to December 31, 1915, about \$510,000,000 was paid out by the Pennsylvania R. R. to its stockholders in cash dividends.

On December 31, 1915, there were 93,768 holders of Pennsylvania R. R. stock.

From January 1, 1850, to December 31, 1915, the total Gross Earnings of the Pennsylvania R. R. proper (not including Other Income), were in excess of \$4,000,000,000.

#### APPROPRIATIONS FROM SURPLUS.

Appropriations from surplus earnings for improvements, additions, etc., have been made as follows:

Year 1901.....	\$10,824,595	Year 1908.....	*\$4,538,981
Year 1902.....	12,500,000	Year 1909.....	*11,581,810
Year 1903.....	9,472,728	Year 1910.....	7,204,597
Year 1904.....	6,220,922	Year 1911.....	6,265,887
Year 1905.....	8,424,881	Year 1912.....	9,253,587
Year 1906.....	11,201,475	Year 1913.....	11,103,207
Year 1907.....	5,760,651	Year 1914.....	2,230,336
	Year 1915.....		\$10,526,762

\*The appropriations for 1908 and 1909 included \$1,000,000 and \$4,000,000 respectively applied towards construction of New York Tunnel Extension (see paragraphs following).

From the surplus of 1912 and earlier years large deductions were made, representing payments on account of principal of Car Trust and to various Sinking Funds. Operating expenses have been for years heavily charged for improvement work.

In 1908 the Pennsylvania Co. contributed \$10,000,000 toward the cost of the New York Tunnel Extension, and charged the same to its Profit and Loss account.

In 1906, 1907 and 1910 the Pennsylvania R. R. contributed the sums of \$13,000,000, \$7,000,000 and \$12,400,000, respectively, towards construction of the New York Tunnel Extension, and charged the same to Profit and Loss. In the three years mentioned Profit and Loss was credited through stock dividends received, adjustments, etc., with sums approximating (net) the total of these charges.

#### COST OF NEW YORK TUNNEL AND TERMINALS.

The New York Tunnel Extension is operated by the Pennsylvania Tunnel & Terminal Co. \$15,000,000 stock of this company is owned by the Pennsylvania R. R. and \$10,000,000 by the Pennsylvania Co. The Pennsylvania R. R. likewise owned as of December 31, 1914, \$83,003,410 Certificates of Indebtedness of the Tunnel Co. The total cost, to December 31, 1911, of the Tunnel Extension, including real estate not permanently required for its use, amounted to \$114,861,420, of which \$47,400,000 was charged against Income or the Profit and Loss of the Pennsylvania R. R. and \$10,000,000 was charged against the Profit and Loss Account of the Pennsylvania Co. The cost of road as shown on the balance sheet of the P. T. & T. R. R. of June 30, 1914, was \$107,-158,968. The deficit from operations for 1913-14 was \$1,154,019.

The New York Tunnel Extension, which was begun in 1903, was finally completed and placed in operation on November 27, 1910.

#### OTHER COMPANIES IN WHICH PENNSYLVANIA R. R. IS INTERESTED.

The Pennsylvania R. R. owned on December 31, 1914, directly or indirectly, a majority of the capital stock of the Philadelphia, Baltimore & Washington R. R., Northern Central Ry. (leased since 1914), Pittsburgh, Cincinnati, Chicago & St. Louis Ry., Long Island R. R., Cumberland Valley R. R., and West Jersey & Seashore R. R. and all the stock of the Pennsylvania Co. These roads, excepting Northern Central Ry. are operated independently. See those companies and see last following. In addition to the above, the Pennsylvania R. R. owned on December 31, 1914, \$2,492,750 of \$2,500,000 stock of the New York, Philadelphia & Norfolk R. R. The Pennsylvania R. R. owned, on December 31, 1914, either directly or through its owned or controlled roads, large blocks of stock of the Norfolk & Western Ry., Southern Pacific Co. R. R., and Erie & Western Transportation Co. Late in 1906, the Pennsylvania R. R. sold its interest in Chesapeake & Ohio Ry. stock and a large part (about one-half) of its holdings of stock of the Norfolk & Western Ry. and Baltimore & Ohio R. R. In April, 1909, the Norfolk & Western Ry. stock sold was repurchased. See a following paragraph regarding exchange in 1913 of Baltimore & Ohio R. R. stock for Southern Pacific Co. stock.

The Pennsylvania R. R. has through the Pennsylvania Co., which latter company owns a majority of their stocks, large interests in other railroads, operated independently, as for example, the Vandalia R. R., the Grand Rapids & Indiana Ry., Toledo, Peoria & Western Ry., etc., aggregating about 2,000 miles of road. See a following paragraph.

The equity of the Pennsylvania R. R. in all of the above mentioned companies is extremely large.

#### STOCK AND CONVERTIBLE BONDS.

On January 1, 1905, over \$300,000,000 stock of the Pennsylvania R. R. was outstanding. Over one-half of this stock had been issued since 1900 and of the new stock over 80% was sold to stockholders, at from 115% to 120% of par value, for cash. Over \$22,000,000 stock was given in 1903 in exchange for Convertible bonds on the basis of about \$7,100 par value in stock for each \$10,000 par value in bonds. On November 1, 1912, \$10,222,500, 3½% Convertible bonds, which had not been converted matured and were paid off. The original issue of these bonds was \$50,000,000.

In March, 1905, stockholders were given the right to subscribe at par for \$100,000,000 Convertible ten-year 3½% bonds, convertible into stock at \$75 per \$50 share after December 1, 1905. A part of the proceeds was used to retire the \$27,480,020 6% bonds; maturing in 1905; the balance for improvements. On October 1, 1915, \$86,827,000 of these Convertibles of 1915 matured and were paid off.

Stockholders of record November 15, 1909, were given the right to subscribe at par for new stock to the extent of 25% of their respective holdings. \$82,517,800 stock was subscribed for.

A majority of the holders of the then outstanding Convertible 3½% bonds due 1912 converted their bonds into stock and took advantage of this opportunity to subscribe for new stock.

The proceeds derived from the sale of this new stock were used to retire \$60,000,000 5% Notes due March 15, 1910, and \$20,000,000 General Mortgage 6% bonds due July 1, 1910.

In 1911, the directors authorized an increase in capital stock of from \$500,000,000 to \$600,000,000. The stockholders authorized on March 14, 1911, an issue of new stock to the amount of \$41,261,600. The new stock was offered for subscription to stockholders at par to the extent of 10% of their respective holdings.

Stockholders of record May 5, 1913, subscribed to \$45,387,750 new stock at par, this being equal to 10% of their respective holdings.

#### NEW BOND ISSUES.

In April, 1908, \$39,400,000 Consolidated Mortgage 4% bonds due May 1, 1948, were sold. The proceeds were to be used for the work on New York Terminals, for construction, etc.

Under date of February 1, 1915, the Pennsylvania R. R. sold \$49,000,000 Consolidated Mortgage bonds, bearing interest at the rate of 4½% per annum, and maturing 1960. This brings the total amount of bonds issued under this mortgage up to \$98,000,000, and closes the same. The stockholders on March 10, 1914, authorized a new General Mortgage, under which bonds may be issued from time to time to an amount never in excess of the then outstanding stock. A total of \$165,155,000 of the bonds were reserved to retire prior lien bonds and real estate mortgages, \$65,000,000 of these General Mortgage bonds, due June 1, 1965, were sold during 1915, to retire with other funds \$80,218,000 maturing 3½% Convertible bonds.

#### MISCELLANEOUS.

Of the total tonnage handled by the lines directly operated in 1914, bituminous coal contributed about 35% and coke 8%. Anthracite coal contributed about 8½% of the tonnage.

Products of Mines contributed in all about 62½% of the total tonnage handled in 1914.

#### NEW YORK CONNECTING R. R.

The New York Connecting R. R., which is owned jointly by the Pennsylvania R. R. and the New York, New Haven & Hartford R. R., has let contracts for the construction of a line from connections with the Long Island R. R. and the East River tunnel of the Pennsylvania R. R. at Long Island City, through the borough of Queens and across the East River via a bridge being constructed by this company at Randall's Island, N. Y., to Port Morris, N. Y. The line will connect at the latter point with the "New Haven." Trackage rights over the Long Island R. R. will be used to the Long Island R. R., Bay Ridge terminals on New York Harbor. Car ferries will be used from Bay Ridge to Greenville, N. J. (3.5 miles). The latter point is the freight terminal of the Pennsylvania R. R. The completion of this line will not only greatly expedite the movement, but also will reduce the transportation cost, of freight and passenger traffic interchanged between the Pennsylvania R. R. and the "New Haven." The cost of this line will be about \$20,000,000, which will be provided for through an issue of securities to be guaranteed by the two parent companies. \$16,000,000 4½% bonds (\$30,000,000 authorized) have been sold. The bonds mature in 1953, and are guaranteed by the two parent companies.

#### SECURITIES OWNED.

The entire book value of the securities (par value \$427,606,984) mostly of other corporations, held by the Pennsylvania R. R. December 31, 1914, was \$323,557,193. The securities included \$80,000,000 stock of the Pennsylvania Co., also \$15,000,000 stock and \$83,003,410 Certificate of Indebtedness of the Pennsylvania Tunnel and Terminal R. R. The direct revenue received from

securities during the year 1912 was \$11,718,371, which amounted to about 3.62% upon the book value thereof. Of these securities stocks and bonds of a face value of \$54,324,300 were pledged.

On December 31, 1914, the Pennsylvania R. R. and the Pennsylvania Company owned capital stock as follows of railroads in the *Pennsylvania Railroad System*, but not directly operated by either of these companies:

P. C. C. & St. L. Ry.....	preferred stock.	\$24,886,850
P. C. C. & St. L. Ry.....	common stock.	24,169,600
P. B. & W. R. R.....	common stock.	25,135,475
Northern Central Ry. ....	*common stock.	14,808,080
Long Island R. R. ....	common stock.	6,797,900
West Jersey & Seashore R. R.....	common stock.	4,950,050
N. Y., Phila. & Norf. R. R.....	common stock.	2,492,750
Cumberland Valley R. R. ....	1st preferred stock.	238,600
Cumberland Valley R. R. ....	2nd preferred stock.	241,750
Cumberland Valley R. R. ....	common stock.	4,828,300
Grand Rapids & Indiana Ry. ....	common stock.	2,965,900
Toledo, Peoria & Western Ry.....	common stock.	2,011,200
Vandalia R. R. ....	common stock.	12,175,000

\*The directors of the Pennsylvania R. R. on August 1, 1910, approved a proposition to lease the Northern Central Ry. for 999 years on the basis of a stock dividend of 40%, a cash dividend of 10% and a guaranteed annual dividend of 8% on the capital as increased by the foregoing allotment. The Northern Central Ry. stockholders, with only a small dissenting vote, agreed on November 2, 1910, to ratify the lease, to take effect on January 1, 1911. The execution of the lease was delayed until July, 1914, owing to suits brought by dissenting minority stockholders.

On December 31, 1914, the Pennsylvania R. R., the Pennsylvania Co., the Philadelphia, Baltimore & Washington R. R., Cumberland Valley R. R., New York, Philadelphia & Norfolk R. R. and the Northern Central Ry. owned capital stock as follows of railroads *not in the Pennsylvania Railroad System*:

*Southern Pacific Co. ....		\$38,292,400
Norfolk & Western Ry. ....	preferred stock.	11,420,000
Norfolk & Western Ry. ....	common stock.	42,377,000
N. Y., N. H. & H. R. R.....	common stock.	5,312,500

\*See third paragraph following.

Late in the year 1906, the Pennsylvania R. R. sold to the Oregon Short Line R. R. (Union Pacific System) \$7,206,400 preferred stock and \$32,334,200 common stock of the Baltimore & Ohio R. R.; the Pennsylvania R. R. sold also at that time to Kuhn, Loeb & Co., \$2,254,000 preferred stock and \$14,084,000 common stock of the Norfolk & Western Ry. and \$15,630,000 Chesapeake & Ohio Ry. common stock.



The stock of the Norfolk & Western Ry. which was sold during 1906 as stated above was repurchased in April, 1909. The Chesapeake & Ohio Ry. stock represented the entire holdings of the Pennsylvania lines.

In June, 1913, \$21,273,600 of each class of Baltimore & Ohio R. R. stock, then held by the Pennsylvania R. R. and other lines comprising the system, was exchanged for \$38,292,400 of Southern Pacific Co. stock held by the Union Pacific R. R. The Pennsylvania R. R. proper owned as of December 31, 1914, \$17,143,800 Southern Pacific Co. stock.

The securities owned and given above include only the stocks of railroads whose income accounts are given in this book.

#### WORKING ASSETS AND LIABILITIES.

On December 31, 1915, Current Assets of the Pennsylvania R. R. amounted to \$93,256,004 (of which \$13,778,293 was cash) and Current Liabilities amounted to \$49,488,289. The credit balance to Profit and Loss was \$27,991,500.

#### See Table, page 85. PENNSYLVANIA CO.

Since 1900 the following cash dividends have been paid:

'01	'02	'03	'04 & '05	'06	'07 & '08	'09	'10-'13	'14	'15
3%	3%	4%	5%	6%	7%	8%	7%	4%	6%

Dividends are payable semi-annually in June and December. The dividends paid in 1915 were: 2% in June and 4% in December.

The following amounts of capital stock have been sold at par, all to the Pennsylvania R. R., since 1901 (in which year \$21,000,000 was outstanding); \$19,000,000 in 1901 in exchange for securities of roads connected with the Pennsylvania Co.'s System theretofore held in treasury of Pennsylvania R. R.; \$20,000,000 in 1905. In 1910, a stock dividend of 33 $\frac{1}{3}$ % was declared. This increased the holdings of the Pennsylvania R. R. by \$20,000,000, making a total of \$80,000,000 stock held by the Pennsylvania R. R.

Appropriations from surplus earnings for Additions and Betterments have been made as follows:

Year 1902.....	\$2,000,000	Year 1908.....	\$2,500,000
Year 1903.....	3,000,000	Year 1909.....	2,500,000
Year 1904.....	2,000,000	Year 1910.....	2,000,000
Year 1905.....	2,000,000	Year 1911.....	*2,500,000
Year 1906.....	2,500,000	Year 1912.....	3,000,000
Year 1907.....	2,500,000	Year 1913.....	3,000,000

No appropriation was made from the Surplus of 1914; \$1,911,619 was, however, appropriated to Sinking and Other Reserve Funds.

*\*From the surplus of 1911 an additional sum of \$1,500,000 was contributed to the "General Fund of the Pennsylvania Co." (against \$1,500,000 in 1910 and \$500,000 in 1909).*

## SECURITIES OWNED.

The Pennsylvania Co. controls by ownership of stock over 3,300 miles of road operated independently, including the Pittsburgh, Cincinnati, Chicago & St. Louis Ry., the Grand Rapids & Indiana Ry., the Vandalia R. R., etc. On December 31, 1914, the Pennsylvania Co. owned the following stocks of railroads, operated independently, whose income accounts are given in this book:

*In the Pennsylvania Railroad System.*

Grand Rapids & Indiana Ry. ....	common stock.	\$2,965,900
P. C. C. & St. L. Ry. ....	preferred stock.	24,886,850
P. C. C. & St. L. Ry. ....	common stock.	24,169,600
Toledo, Peoria & Western Ry. ....	common stock.	2,011,200
Vandalia R. R. ....	common stock.	12,175,000

*Not in the Pennsylvania Railroad System.*

Southern Pacific Co. (see note)....	common stock.	\$14,201,200
Norfolk & Western Ry. (see note)....	preferred stock.	5,000,000
Norfolk & Western Ry. (see note)....	common stock.	3,190,500

*Note.*—In 1906, all the Pennsylvania Lines' holdings of Chesapeake & Ohio Ry. stock (including \$4,000,000 stock owned by the Pennsylvania Co.) were sold. See under Pennsylvania R. R. regarding sale by that railroad in 1906 of large blocks of stocks of the Baltimore & Ohio R. R. and the Norfolk & Western Ry. The last named stock was re-purchased in April, 1909. See Pennsylvania R. R. regarding exchange in June, 1913, of Baltimore & Ohio R. R. stocks held by various Pennsylvania R. R. Lines for Southern Pacific Co. stock then held by the Union Pacific System. The Pennsylvania Co. exchanged \$5,000,000 preferred stock and \$13,451,200 common stock of the Baltimore & Ohio R. R. for \$17,451,200 stock of the Southern Pacific Co. During 1914 the Pennsylvania Co. disposed of \$3,250,000 Southern Pacific Co.'s stock.

Early in 1916 the Pennsylvania offered holders of the \$598,000 stock of the Louisville Bridge Co. outstanding in the hands of the public, Southern Pacific Co. stock on the basis of 7 shares (\$697,200) Southern Pacific Co. stock for 6 shares (\$598,000) Louisville Bridge Co. stock. Practically all of the latter stock was acquired under the offer.

The Pennsylvania Co. owned in addition on December 31, 1914, \$10,000,000 stock of the Pennsylvania Tunnel & Terminal R. R. The Pennsylvania Co. contributed in 1908, \$10,000,000 towards the cost of the Pennsylvania Tunnel and Terminal improvements. The amount so contributed was charged directly to Profit and Loss, this account having at the same time been credited with \$9,308,000, amount transferred from "Contributions to Sinking Fund for 3½% Gold Loan of 1901," being amount of said loan redeemed and cancelled to December 31, 1908.

Early in 1912 the Pennsylvania Co. acquired control of the

Ohio River & Western R. R., Bellaire to Zanesville, Ohio (112 miles).

On December 31, 1914, the Pennsylvania Co. owned sundry bonds and stocks of a par value of \$267,081,507, valued on the company's books at \$206,405,987. Of these securities, \$125,419,000 face value of stocks were pledged. The income received from securities in 1914 was \$9,505,843. Included in the stocks owned were \$22,504,100 stock of the Cambria Steel Co., and \$9,158,300 preferred and \$7,388,900 common stock of the Pennsylvania Steel Co. The Cambria Steel Co. paid 3% annually in dividends from 1902 to 1909, inclusive; in 1910 the rate was increased to 5%. The Pennsylvania Steel Co. paid 7% annually on its preferred stock, from 1901 to 1912, inclusive. In May, 1913, the semi-annual dividend paid was 1½%, and in November, 1913, 2½%. In 1914, the dividend was passed.

It was stated in October, 1915, that the Pennsylvania Co. had disposed of at least one-half each of its holdings of common and preferred stock of the Pennsylvania Steel Co. at \$37 and \$85 per share respectively. Likewise the Pennsylvania Co.'s holdings of Cambria Steel Co. stock have been sold.

Included in the bonds owned December 31, 1914, were \$8,000,000 4% Equipment certificates of Pennsylvania Lines, \$3,000,000 Pennsylvania R. R. Water Supply Trust 4% certificates, \$1,100,000 Long Island R. R. Equipment Trust 4% certificates, \$3,487,000 Grand Rapids & Indiana Ry. Second Mortgage 4% bonds, \$1,248,000 Toledo, Peoria & Western Ry. First Mortgage 4% bonds and \$5,309,000 Pennsylvania Steel Co. 30-year Collateral Trust 5% Gold bonds.

#### CONSOLIDATION OF SUBSIDIARY COMPANIES.

On July 1, 1911, the Cleveland & Marietta Ry. and the Toledo, Walhonding Valley & Ohio R. R. were consolidated as the Toledo, Columbus & Ohio River Ry. On the same date the Cleveland, Akron & Columbus Ry. and the Cincinnati & Muskingum Valley R. R. were merged into the Cleveland, Akron & Cincinnati Ry. Both of these consolidated companies are now operated directly by the Pennsylvania Co.

Products of Mines contributed 63% of the tonnage handled in 1914.

#### WORKING ASSETS AND LIABILITIES.

On December 31, 1914, Current Assets were \$17,501,294, and Current Liabilities, including \$12,600,000 Loans and Bills Payable, were \$24,597,842. The balance to the credit of Profit and Loss was \$7,224,332. The total Corporate Surplus was \$37,397,751.

**PHILADELPHIA, BALTIMORE & WASHINGTON R. R.**

See Table, page 86.

**DIVIDENDS.**

This company is paying dividends at the rate of 4% per annum, payable semi-annually, June and December.

**HISTORY.**

The Philadelphia, Wilmington & Baltimore R. R. and the Baltimore & Potomac R. R. companies (the latter, formerly a leased line) were consolidated on November 1, 1902, into the Philadelphia, Baltimore & Washington R. R. Under the agreement of consolidation there was issued \$17,724,150 capital stock of the new company in exchange for \$11,816,100 stock of the Philadelphia, Wilmington & Baltimore R. R. and \$2,765,000 stock in exchange for \$5,530,000 stock of the Baltimore & Potomac R. R. Also in accordance with the provision of the agreement of consolidation, \$3,000,000 of Baltimore & Potomac R. R. 5% Consolidated Mortgage bonds held by the Pennsylvania R. R. were exchanged for a like amount of stock of the new company, thus making the outstanding stock of the Philadelphia, Baltimore & Washington R. R. \$23,489,150. In 1907, there was sold to stockholders at par \$1,644,400 new stock, the proceeds being applied toward improvements. The amount outstanding on December 31, 1914, was \$25,138,000, of which the Pennsylvania R. R. owned \$25,135,475.

The Philadelphia, Baltimore & Washington R. R. owned among other securities, as of December 31, 1914, \$1,848,700 stock of the Southern Pacific Co. (received in exchange June 30, 1913, for \$1,048,700 common stock and \$1,000,000 preferred stock of the Baltimore & Ohio R. R.), \$2,497,180 of the \$2,499,174 stock of the Philadelphia & Baltimore Central R. R. and \$2,126,000 stock (one-half) of the Washington Terminal Co.

The following appropriations have been made from surplus earnings account of extraordinary expenditures:

1903.....	\$2,000,000	1909.....	\$622,281
1904.....	1,180,513	1910.....	1,021,619
1905.....	1,714,023	1911.....	1,200,000
1906.....	1,842,811	1912.....	817,659
1907.....	998,720	1913.....	370,263
1908.....	433,513	1914.....	223,633

The above mentioned appropriations followed similar large appropriations by the Philadelphia, Wilmington & Baltimore R. R. in previous years.

**BONDS.**

There were sold in 1904, \$10,570,000 of an authorized issue of \$20,000,000 First Mortgage 4% bonds due 1943, the proceeds to be applied toward the payment of large capital expenditures. \$4,500,000 additional of these bonds were sold in 1911 and the proceeds used

to retire \$4,500,000 6% bonds of the Baltimore & Potomac R. R. which matured. \$1,000,000 of these bonds were sold in 1914 to reduce floating debt. The balance of the authorized issue, \$3,930,000 is reserved to retire an equal amount of debentures and prior liens.

There were sold in 1908, \$5,000,000 4% Serial Debentures to meet indebtedness representing amounts (\$6,081,505) advanced for capital expenditures. These debentures mature \$500,000 annually from January 1, 1915, to January 1, 1924. They are to be secured by any new mortgage. \$4,000,000 of these bonds remained outstanding March 1, 1916.

This company and the Baltimore & Ohio R. R. jointly and severally guarantee \$10,000,000 Washington Terminal Co. 3½% and \$2,000,000 4% bonds due 1945. The authorized issue of these bonds is \$20,000,000. The guarantor companies each own one-half of the stock of the Washington Terminal Co. The terminal and approaches were completed in 1907. Other tenants besides the guarantor companies are the Southern Ry., Washington Southern Ry. and Chesapeake & Ohio Ry.

On December 31, 1914, Current Assets were \$2,713,220 and Current Liabilities were \$3,625,096.

#### PITTSBURGH & LAKE ERIE R. R.

See Table, page 87.

Dividends have been paid since 1892 as follows:

1892 to 1906	1907	1908	1909 to 1915
10% yearly	12%	11%	*10% yearly

\*In February, 1910, in addition to the regular semi-annual dividend of 5%, an extra cash dividend of 40% was paid, and in March, 1911, an extra cash dividend of 25% was paid. In March, 1912, an extra dividend of 12% was paid. In March, 1913, 5% extra was paid. See next paragraph.

On December 31, 1908, \$10,000,000 stock was outstanding. Since that date additional stock has been sold at par to stockholders: 1909, \$5,000,000; 1910, \$6,000,000; 1911, \$4,200,000; 1912, \$4,788,000. This made the total amount of stock outstanding December 31, 1914, \$29,988,000, of which the Lake Shore & Michigan Southern Ry. owned \$14,994,250. The authorized amount of stock is \$30,000,000.

From July 1, 1902, to January 1, 1916, \$25,988,000 of the \$29,988,000 outstanding capital stock was issued for cash at par to stockholders. The proceeds were used for improvements, etc., including a large amount of four-tracking of the company's road.

In 1905, the Pittsburgh & Lake Erie R. R. jointly with the Pennsylvania R. R. and the Baltimore & Ohio R. R. acquired the holdings of the Little Kanawha Syndicate, consisting of railroad properties and franchises in West Virginia, Ohio and Pennsylvania. The purchase included the Little Kanawha R. R., the Zanesville, Marietta & Parkersburg R. R., and several other properties. On

the same date the Pittsburgh & Lake Erie R. R. acquired by purchase the entire holdings of the Greene County R. R. Syndicate, owning railroad properties and franchises in Greene and Washington Counties, Pa. On December 31, 1914, the properties were carried on the balance sheet of the Pittsburgh & Lake Erie R. R. at a valuation of \$4,510,866.

In 1914 bituminous coal and coke contributed 54% of the total freight traffic.

The Pittsburgh & Lake Erie R. R. has by far the largest average gross earnings per mile of any railroad treated of in this book, excepting only the Panama R. R. The maintenance expenses are phenomenally large.

An agreement was entered into in 1910 between the Pittsburgh & Lake Erie R. R. and the Western Maryland Ry., providing for a connection of the two above mentioned lines at Connellsville, Pa., through the construction by the latter company of an extension and for the establishment of through routes and joint rates for a term of 99 years from January, 1910. (See Western Maryland Ry.)

See under New York Central & Hudson River R. R. regarding gross earnings by the New York Central Lines of \$12,540,000 (\$24,000,000 authorized) 4½% Serial Equipment bonds under date of March 1, 1913. The Pittsburgh & Lake Erie R. R. assumed \$3,981,991 of the Certificates. \$3,716,525 of these Certificates were outstanding December 31, 1914.

On December 31, 1914, Current Assets (including \$1,534,254 cash) were \$5,730,599, and Current Liabilities were \$2,588,339. There was a credit balance to Profit and Loss of \$19,446,140.

### READING CO.

See Table, page 88.

Dividends have been paid since 1901 as follows:

	'01	'02	'03	'04	'05	'06-'09	'10-'12	'13-'15
First preferred %	4	3	4	4	4	4	4	4 (Q.-M.)
Second preferred %	0	0	1½	4	4	4	4	4 (Q.-J.)
Common %	0	0	0	0	3½	4	6	8 (Q.-F.)

The first and second preferred stocks are limited to non-cumulative dividends at the rate of 4% per annum in order of priority. The company has the right to convert the second preferred stock into one-half of first preferred and one-half of common stock.

The Reading Co. owns the securities, real estate, equipment, etc., of the old Philadelphia & Reading R. R. Co., also the \$42,481,700 stock and \$20,000,000 purchase money bonds of the Philadelphia & Reading Ry. Co. and the \$8,000,000 stock of the Philadelphia & Reading Coal & Iron Co. In acquiring the above the Reading Co. issued its own securities.

## OWNERSHIP OF STOCK.

It was announced in January, 1903, that the Baltimore & Ohio R. R. and Lake Shore & Michigan Southern Ry. had purchased a large amount of stock of the Reading Co.

On June 30, 1915, the Baltimore & Ohio R. R. owned \$6,065,000 first preferred, \$14,265,000 second preferred and \$10,002,500 common stock, and the Lake Shore & Michigan Southern Ry. owned on December 31, 1914, equal amounts of Reading Co.'s first and second preferred stocks, and \$9,852,500 common stock.

## CONTROL OF CENTRAL R. R. OF NEW JERSEY.

As of June 30, 1915, the Reading Co. owned \$14,504,000 stock of the Central R. R. of New Jersey. In addition to the mileage operated by the Philadelphia & Reading Ry. the Reading Co. owns interests in 1,126 miles of road (this total including the Central R. R. of New Jersey, 634 miles).

To acquire the Central R. R. of New Jersey stock, the Reading Co. issued in 1900 \$23,000,000 Collateral 4% bonds, \$3,017,650 first preferred stock, and \$1,713,750 second preferred stock.

The Central R. R. of New Jersey paid in 1914-15 the regular dividend of 8%, also 4% extra. The Reading Co. thus received in dividends \$1,740,480. The interest (and dividends), paid on the securities issued to pay for the stock of the C. R. R. of N. J. was \$1,109,256. The Reading Co.'s interest in the undivided profits for 1914-15 of the C. R. R. of N. J. and the Lehigh & Susquehanna Coal Co. amounted to several millions of dollars.

The Reading Co. formerly owned \$1,000,000 Lehigh Valley R. R. stock. This was disposed of in 1909-10, at a profit of \$1,153,146.

## COAL DEPARTMENT.

The earnings of the Philadelphia & Reading Coal & Iron Co. since 1904-5 have been reported as follows:

	Gross Income	Expended for Improvements at Collieries	Profit
1904-5.....	\$36,090,420	\$1,730,975	\$167,878
1905-6.....	34,038,540	1,131,038	loss 130,746
1906-7.....	38,741,562	1,345,229	loss 71,482
1907-8.....	38,014,421	1,286,011	207,524
1908-9.....	34,792,694	1,172,205	66,974
1909-10.....	33,217,936	1,216,015	loss 71,501
1910-11.....	34,390,131	1,139,041	loss 103,317
1911-12.....	35,733,653	839,742	171,576
1912-13.....	40,983,063	1,241,071	*1,139,592
1913-14.....	32,703,982	1,193,385	715,390
1914-15.....	30,086,512	682,068	60,572

\*In 1912-13, interest of \$2,269,405 was paid by the Coal Co. on Reading Co. loans against \$864,084 paid in 1911-12. No interest was paid during 1913-14 and 1914-15.

It was estimated several years ago that the total unmined coal supplies controlled by the Reading Co. approximated 2,450,000,000 tons of anthracite. 9,606,589 tons of anthracite coal were produced in 1914-15.

On June 30, 1915, Current Assets of the Coal & Iron Co. exceeded Current Liabilities by \$9,481,347.

Of the total tonnage carried by the Philadelphia & Reading Ry. merchandise traffic (all other than coal) contributed 21,881,371 tons, anthracite coal contributed 10,441,944 tons, and bituminous coal, 15,672,001 tons. Total merchandise traffic earnings were \$17,072,464, and total coal traffic earnings were \$20,985,987.

Appropriations for improvements, additions, etc. (including amounts expended by the Coal & Iron Co., as stated above), have been made from income as follows:

1903-4.....	\$2,446,800	1909-10.....	\$3,286,676
1904-5.....	2,710,618	1910-11.....	4,492,600
1905-6.....	4,670,390	1911-12.....	3,469,482
1906-7.....	3,193,163	1912-13.....	3,632,633
1907-8.....	2,223,670	1913-14.....	3,218,168
1908-9.....	2,977,927	1914-15.....	1,843,759

From the surplus for 1914-15 there was deducted also \$447,176 paid to the Trustee of the General Mortgage, being the amount required for the Sinking Fund. To June 30, 1915, \$7,406,000 General Mortgage bonds had been purchased and cancelled for the Sinking Fund. In accordance with the terms of the mortgage the sum of 5 cents for each ton of coal mined from the lands owned by the P. & R. Coal & Iron Co., and pledged under the General Mortgage, is appropriated annually to purchase these bonds.

\$18,811,000 6% and 7% bonds matured June 1, 1911. \$23,421,000 General Mortgage 4% bonds were sold in 1911, to retire these and other bonds at maturity, and for betterments. \$98,537,000 General Mortgage bonds were outstanding on June 30, 1915, of which \$4,820,000 were in the treasury of the company.

On June 30, 1915, the Philadelphia & Reading Ry. showed Current Assets, \$9,902,623, and Current Liabilities, \$8,302,787. Current Assets of the Reading Co. were \$4,591,678, and Current and Accrued Liabilities were \$3,308,469.

#### BONDS ISSUED.

Notwithstanding the fixed charges created since December 1, 1896, being interest on bonds and other obligations issued in payment of a large amount of new equipment, and interest of \$920,000 upon the Jersey Central Collateral Gold bonds and other interest, the net fixed charges and taxes in 1914-15 were actually less than on December 1, 1896, when the voting trustees assumed control of the reorganized companies; taxes alone had more than



doubled during this period. From December 1, 1896, to June 30, 1915, the Railway Co. expended for improvements and betterments, in addition to the ordinary expenditures for maintenance and repairs, approximately \$31,354,731. The Coal & Iron Co. expended during that period approximately \$18,847,285 for new work at collieries. None of these expenditures were charged to capital account. The Railway Co. accumulated also \$1,045,447 Insurance Fund. The Coal & Iron Co. paid off \$3,600,000 6% Coal Trust Certificates. In addition the Sinking Funds were all kept up. The actual amount of bonds of the Reading Co., P. & R. Ry. and P. & R. Coal & Iron Co. outstanding in the hands of the public as of June 30, 1915, was \$148,896,242, as compared with \$152,342,893 bonds outstanding June 30, 1906.

As of June 30, 1915, in comparison with December 1, 1896, the total value of rolling equipment and floating equipment in the possession of the Reading Co., including that owned and that leased, had increased \$32,949,127 (from \$18,430,706 to \$51,379,834). \$37,765,456 value of this equipment was pledged under the company's General Mortgage.

#### READING IRON CO.

The Reading Co. owns the total (\$1,000,000) capital stock of the Reading Iron Co. 6% annual dividends have been paid regularly on the capital stock of this company; in 1908-9 an extra dividend of \$1,500,000 (150%) was paid, and on June 30, 1911, an extra dividend of \$1,000,000 (100%) was paid. Several years ago it was made necessary to enlarge, rebuild and modernize the various plants of the Reading Iron Co. to enable it to compete with other companies engaged in similar business. This work involved large expenditures which have been paid for out of the earnings.

The Reading Iron Co. owned on June 30, 1915, a large amount (about \$7,092,200 par value), of the preferred and common stock of the Pennsylvania Steel Co.; the purchase price having been paid for out of the earnings of the company. A large amount of this stock has been disposed of since June 30, 1915. The Pennsylvania Co. was also a large stockholder in the Pennsylvania Steel Co. The balance sheet, as of June 30, 1915, of the Reading Iron Co. showed assets amounting to \$16,896,158. The outstanding mortgage bonds, after deducting the Sinking Fund securities deposited with the Trustee, amounted to \$171,314, and the Current Liabilities, with accrued interest and dividends, amounted to \$425,493.

#### ULSTER & DELAWARE R. R.

See Table, page 89.

During 1913-14 and 1914-15 dividends of 3% each were paid on the stock of this company. No dividends were paid in years prior to 1913-14.

Current Assets on June 30, 1915, were \$520,290 and Current Liabilities were \$158,155. The balance sheet of that date showed \$1,250,000 Sinking Fund Reserves. There was a credit balance to Profit and Loss of \$799,552.

The bonds of this company consist of \$2,000,000 First Consolidated Mortgage 5s due 1928 and \$1,000,000 First Refunding Mortgage 4s due 1952.

In 1914-15 anthracite coal contributed 55.8% of the total freight tonnage, against 55.4% in 1913-14.

This road is laid largely with 90-pound steel rails.

### WEST JERSEY & SEASHORE R. R.

See Table, page 90.

The guaranteed stock receives 6% per annum in June and December. The common stock received 6% per annum in 1906 and 1907, the dividend rate having been increased in September, 1905, from 5%. Rate reduced to 4% in April, 1908, which rate was paid in 1908, also in April, 1909. In October, 1909, 2½% was paid. In 1910 and to and including 1915, 5% was paid (April and October).

The Pennsylvania R. R. owned as of December 31, 1914, \$4,904,700 of the common stock and \$45,350 of the guaranteed stock of this company. In 1904, the stockholders subscribed to \$1,264,000 new common stock at par, and in 1906 the stockholders subscribed to \$3,425,550 new common stock at par. The proceeds derived from the sale of stock in 1906 were used to provide, in part, for the expense of electrification of a considerable portion of the railroad and for other necessary improvements and facilities.

The stockholders voted in 1913, to lease the road to the Pennsylvania R. R. for 999 years from July 1, 1913. The Pennsylvania R. R. agreed to pay a rental sufficient to meet the interest on all bonds, to pay the 6% dividend on the guaranteed stock and to pay a dividend of 6% per annum (semi-annually January and July) on the common stock. In July, 1913, the Public Service Commission of New Jersey refused to sanction the proposed lease. The Pennsylvania R. R. carried the case to the New Jersey Court of Appeals, which, however, sustained the action of the Public Service Commission.

The following appropriations have been made from surplus earnings account of Extraordinary Expenditures:

1914.....	\$182,750	1908.....	\$78,200
1912.....	327,007	1905.....	332,990
1911.....	221,615	1904.....	331,254
1910.....	243,193	1903.....	152,310
1909.....	277,789	1902.....	463,137

Of the total gross revenue in 1914, freight traffic contributed only \$1,809,413 (28%).

All of this company's bonds bear interest at  $3\frac{1}{2}\%$  and 4%. The company's Consolidated Mortgage (authorized in 1896) is for \$7,000,000. \$6,373,000 bonds under this mortgage (including \$2,048,000  $3\frac{1}{2}\%$ ) are outstanding.

The stockholders in February, 1915, authorized an increase in common stock to the extent of \$3,000,000, and the execution of a mortgage to secure bonds not exceeding \$13,000,000, sufficient bonds to be reserved to retire Consolidated Mortgage bonds at maturity. Bonds will be issued to retire the \$1,394,000 Certificates of Indebtedness, fund the floating debt, provide funds to complete the elevation of the railroad through the city of Camden and to provide funds for other purposes.

Current Assets on December 31, 1914, were \$977,347, and Current Liabilities were \$824,702.

### ANN ARBOR R. R.

See Table, page 91.

The preferred stock is entitled to and is limited to non-cumulative dividends of 5% per annum. No dividends had been paid on this stock to January, 1916.

#### FORMER CONTROL BY D., T. & I. RY.

In 1905 the Detroit, Toledo & Ironton Ry. acquired \$3,010,000 preferred stock (holdings afterwards increased to \$3,102,400) and \$2,190,000 common stock of the Ann Arbor R. R. These two railroads formed what was known as the Detroit, Toledo & Ironton—Ann Arbor System (see following). The Ann Arbor R. R. stock was used as collateral for an issue of 5% Notes of the D. T. & I. Ry.

On February 1, 1907, Receivers were appointed for the Detroit, Toledo & Ironton Ry., that company having defaulted in the payment of interest on its  $4\frac{1}{2}\%$  Consolidated Mortgage bonds. The principal and interest on the Note issue was likewise defaulted.

In the annual report for 1909-10, the president of the Ann Arbor R. R., stated as follows:

"During 1907 and 1908, \$220,000 was advanced to the Detroit, Toledo & Ironton Ry. 'for temporary purposes' without any authority from the Directors and without appearing properly on the books of the company.

"Such action has been taken as the General Counsel of the company thought necessary to protect the company against loss in connection with the unauthorized loan of the company's funds."

As of June 30, 1915, these advances to the D., T & I. Ry. were carried at the nominal value of \$1.

#### ANN ARBOR CO.

In 1910, the Ann Arbor stock and other collateral securing \$5,500,000 Detroit, Toledo & Ironton Ry. Notes were sold at

auction to a protective committee. In 1911, a holding company was incorporated with a capital of \$7,250,000, to be known as the Ann Arbor Co., to own among other securities the Ann Arbor R. R. stock previously deposited as collateral under the above mentioned Notes. A majority of the railroad stock has been exchanged share for share for preferred and common stock of the Ann Arbor Co.

## GENERAL.

The balance sheet of June 30, 1915, showed Working Assets \$634,184, and Working and Accrued Liabilities, \$911,718. The credit balance to Profit and Loss was \$1,340,658.

In 1911 the Ann Arbor R. R. authorized a new mortgage to secure an issue of \$10,000,000 Improved and Extension 30-year 5% bonds due 1941, to provide funds to pay for improvements, equipment, etc., and extensions. \$1,500,000 of these bonds were issued to the company and these were deposited as collateral for an issue of \$600,000 6% Two-year Notes, due May 1, 1916. The proceeds of this Note issue were largely used to retire Notes maturing May 1, 1914.

## CHICAGO &amp; ALTON R. R.

See Table, page 92.

## DIVIDEND RECORD.

The cumulative prior lien stock is entitled, in addition to prior right to cumulative dividends at the rate of 4% per annum, to receive additional dividends equal to the rate of dividends, if any, declared on the common stock. The prior lien stock received 8% in 1908-9, 6% in 1909-10, 4% in 1910-11 and 1911-12. No dividends have since been paid on this stock. The preferred stock is entitled to non-cumulative dividends at the rate of 4% per annum. The preferred stock received 4% per annum in semi-annual installments, January and July, until July, 1911, when the dividend was passed. In August, 1908, an initial dividend of 1% was paid on the common stock; in February and August, 1909, dividends of 2% each were paid. The dividend on the common stock was passed in February, 1910.

On June 30, 1907, the Chicago, Rock Island & Pacific Ry. owned \$6,380,000 preferred stock and \$14,420,000 common stock of the Chicago & Alton R. R., acquired for the most part in the year 1904-5. In August, 1907, practically these entire holdings were sold by the Chicago, Rock Island & Pacific Ry. to the Toledo, St. Louis & Western R. R. See under latter company for terms of purchase. On June 30, 1915, the Union Pacific R. R. owned \$10,343,100 preferred stock of the Chicago & Alton R. R. and the "Rock Island" owned \$450,000 preferred stock. On that date the Union Pacific R. R. also owned \$8,417,000 of the General Mortgage 6% bonds (see a following paragraph) and \$1,096,000 Notes and Equipment Obligations of the Chicago & Alton R. R.

In March, 1906, the consolidation was effected of the old Chicago & Alton R. R. with the Chicago & Alton Ry. under the name of the Chicago & Alton R. R. The stockholders of the Railway, under the consolidation agreement, exchanged their stock, share for share, for the preferred and common stock of the new company. The few shares of stock of the old Railroad, which were in the hands of the public, were exchanged for the cumulative 4% prior lien and participating stock of the new company. Except for the issuance of the latter stock, the capital stock of the new company is the same, in character and amount, as the former Railway stock.

## SURPLUS AND MAINTENANCE.

The table below indicates the amounts expended annually for Maintenance of Way and of Equipment by the Chicago & Alton R. R. (1906-7 to 1914-15), likewise the surplus or deficit and dividend payments.

Year.	Maintenance Expenses.	Surplus.	Dividend Payments.
1906-7 .....	\$3,027,379	\$1,827,561	\$817,332
1907-8 .....	2,930,677	1,320,912	1,021,153
1908-9 .....	2,469,020	1,666,261	1,633,816
1909-10 .....	2,990,187	1,071,988	1,225,374
1910-11 .....	4,135,915	157,722	408,466
1911-12 .....	4,590,668	def. 303,722	35,172
1912-13 .....	5,929,145	def. 1,883,291	.....
1913-14 .....	5,657,756	def. 2,762,290	.....
1914-15 .....	4,982,484	def. 1,690,156	.....

## FINANCIAL AND GENERAL.

The balance sheet as of June 30, 1915, showed Current Assets (including \$636,215 material and supplies) \$3,202,396, and Current Liabilities \$5,171,046. There was a debit balance to Profit and Loss of \$7,451,023, against a debit balance of \$5,715,442 on June 30, 1914, \$2,460,291 on June 30, 1913, \$324,521 on June 30, 1912, and against a credit balance of \$44,592 on June 30, 1911, \$256,527 on June 30, 1910, \$440,009 on June 30, 1909, \$787,976 on June 30, 1908, and \$884,011 on June 30, 1907.

As of June 30, 1915, main track contained:

51 miles of 100-pound steel,	50 miles of 75-pound steel,
200 miles of 90-pound steel,	96 miles of 70-pound steel,
698 miles of 80-pound steel,	120 miles of 65 to 52-lb. steel.

As of June 30, 1915, the ballast consisted of 608 miles of stone, 195 miles of gravel, 286 miles of cinders, 38 miles of slag; total, 294 miles; while 70 miles of branch lines were not ballasted.

During 1912 \$20,000,000 General Mortgage 6% bonds, due 1932, were authorized. \$16,834,000 of these bonds had been issued to June 30, 1915. One-half of the outstanding bonds are owned by the Union Pacific R. R.

Products of Mines contributed 41.3% of all freight tonnage handled in 1914-15.

## CHICAGO &amp; EASTERN ILLINOIS R. R.

See Table, page 93.

On May 27, 1913, Receivers, were appointed for this company, also for the St. Louis & San Francisco R. R. (which see). See a following paragraph.

The preferred stock is limited to non-cumulative dividends of 6% per annum. Prior to the receivership dividends were paid as follows:

	'04-5	'05-6	'06-7	'07-8	'08-9	'09-10	'10-11	'11-12	'12-13
Preferred %...	6	6	6	6	6	6	6	6	4½
Common %...	5	13	10	10	2	8	9½	5	0

During the eleven fiscal years from July 1, 1902, to June 30, 1913, inclusive, the company reported surplus earnings of \$10,984,716; during this period \$11,104,727 was paid in dividends.

## CONTROL BY THE "FRISCO."

On June 30, 1915, the St. Louis & San Francisco R. R. held a majority (\$8,102,500) of the preferred and \$6,777,800 of the common stock of this company. This stock was acquired under an offer made in 1902 by the St. Louis & San Francisco R. R. to give a \$100 preferred stock trust certificate bearing 6% interest for each \$100 share of preferred stock and a \$100 common stock trust certificate bearing 10% interest for each \$100 share of common stock. The St. Louis & San Francisco R. R. agreed to pay \$150 in gold and \$250 in gold for the preferred stock certificates and common stock certificates, respectively, on or before July 1, 1942. Interest on the stock certificates was defaulted July, 1913, following the appointment of Receivers for the "Frisco."

In 1905 the holders of a majority of the common stock trust certificates exchanged these certificates for a new form in the denomination of \$1,000 each, representing the deposit of four shares of stock. Interest on these latter certificates was payable at the rate of 4%, so that both the income and principal were unchanged—only the form of security being changed.

## ACQUISITION OF E. &amp; T. H. R. R.

In 1904-5 and later, the Chicago & Eastern Illinois R. R. acquired \$3,186,450 of the \$3,987,383 common stock of the Evansville & Terre Haute R. R.

Stockholders on July 19, 1911, voted to merge the Evansville & Terre Haute R. R. (previously controlled) and the Evansville Belt R. R. The holders of Evansville & Terre Haute R. R. common stock (\$3,987,383) and of Evansville Belt R. R. stock were offered 83⅓% and 100% respectively, in C. & E. I. preferred stock; this offer calling for the issuance of \$3,216,000 C. & E. I. preferred stock. Holders of Evansville & Terra Haute R. R. preferred stock (\$1,283,333) were offered in exchange par in

## THE EARNING POWER

Evansville & Terre Haute R. R. Refunding Mortgage 5% bonds (a new bond issue, limited to \$1,284,000 bonds).

Dividends at the rate of 5% per annum had been paid on the Evansville & Terre Haute R. R. preferred stock since 1900. 5% was paid on the common in 1910-11, and 4% was paid from 1905-6 to 1909-10 inclusive. The Evansville & Terre Haute R. R. owned and transferred to the C. & E. I. R. R. the entire \$2,000,000 stock of the Evansville & Indianapolis R. R. (146 miles). The \$2,500,000 6% bonds of the latter bear the guarantee of the Evansville & Terre Haute R. R.

The following table shows the mileage, earnings, etc., reported by the Evansville & Terre Haute R. R. and Evansville & Indianapolis R. R.:

Year	Avg. Miles			Year	Avg. Miles		
	Oper.	Gross	Surplus		Oper.	Gross	Surplus
1905-6	310	\$2,163,680	\$434,310	1908-9	310	\$2,093,997	\$175,116
1906-7	310	2,267,215	465,220	1909-10	310	2,471,176	389,683
1907-8	310	2,204,069	399,112	1910-11	310	2,599,065	283,658

## RECEIVERSHIP OF COMPANY.

As previously stated a Receiver was appointed for the company May 27, 1913. There was a floating debt at that time of about \$5,000,000. On July 1, 1914, interest was defaulted on the \$18,019,000 Refunding and Improvement 4% bonds, on \$4,626,000 Chicago & Indiana Coal Ry. 5% bonds and on \$2,500,000 First Mortgage and Consolidated 6% (assumed) bonds of the Evansville & Indianapolis R. R. Subsequently interest was defaulted on all of the various outstanding issues of bonds, including assumed bonds. On June 22, 1915, the Receiver (Wm. J. Jackson) entered into an agreement with the holders of \$4,302,000 Equipment Certificates for an extension for three years at 5½%. The Equipment Certificates were, by order of the Court, given a lien, superior to all mortgages, on all of the property of the company, except the coal properties, the Evansville & Indianapolis Ry., and the properties operated by the Evansville & Terre Haute R. R. prior to its merger with the Chicago & Eastern Illinois R. R. \$6,000,000 6% Receiver's Certificates, due July 1, 1916, were outstanding December 31, 1915. No plan of reorganization had been announced to December 31, 1915.

## GENERAL.

Main, second and third track (owned or leased), June 30, 1915, contained:

46 miles of 100-pound steel,	48 miles of 70 to 75-lb. steel,
138 miles of 90-pound steel,	120 miles of 65 and 67-lb. steel,
265 miles of 85-pound steel,	246 miles of 60-pound steel,
342 miles of 80-pound steel,	143 miles of lighter rail.

In 1905-6, \$6,000,000 4% bonds of a new issue, the Refunding and Improvement Mortgage, were sold. To June 30, 1915, there

had been issued \$18,019,000 of these bonds. The total amount of bonds authorized under this mortgage is \$55,000,000, of which \$34,626,000 are reserved to retire prior bonds. Interest on these bonds was defaulted July 1, 1914.

Under date of February 1, 1912, there were authorized \$7,000,000 5% Purchase Money First Lien Coal bonds, due 1942. \$5,167,000 of these bonds were sold in 1911-12 and 1912-13, and the proceeds from the sale thereof used to acquire coal mines and lands. Interest on these bonds was defaulted February 1, 1915.

Prior to June 30, 1913, the Chicago & Eastern Illinois R. R. purchased at a cost of \$2,345,167, \$4,459,000 of the \$4,512,000 bonds, \$3,800,600 of the \$5,000,000 stock and \$323,000 of claims against the Dering Coal Co. The Coal Co. was operated by a Receiver. The property comprises 18,645 acres of coal-lands and coal rights containing 150,000,000 tons of coal. The securities of the Coal Co. were pledged as collateral for Loans Payable. These securities have subsequently been sold to a committee formed to represent holders of Loans Payable.

In 1914-15, 21 new industries, employing 1,878 men, were located along the lines of this company.

On June 30, 1915, Working Assets (including \$1,334,947 material and supplies) were \$4,184,409, and Working and Accrued Liabilities were \$8,541,623; the latter sum included \$5,101,114 loans and bills payable.

Bituminous coal contributed 52% of the tonnage carried in 1914-15.

### CHICAGO & NORTHWESTERN RY.

See Table, page 94.

The preferred stock is entitled to non-cumulative dividends of 7% per annum. After the common has received 7% the preferred receives 3% additional. After 10% has been paid on the common, both issues share alike. Preferred and common dividends are payable quarterly, January. For years the preferred stock has received 8% and the common 7%.

The Chicago & Northwestern Ry. as of June 30, 1915, owned \$9,540,000 common stock and \$5,380,000 preferred stock of the Chicago, St. Paul, Minneapolis & Omaha Ry. These stocks were carried (June 30, 1915) at a valuation of \$10,337,152.

On June 30, 1915, the Chicago & Northwestern Ry. owned \$4,171,500 preferred stock of the Union Pacific R. R. This stock (acquired 1906) was carried at a valuation of \$3,910,576.

On June 30, 1915, the Oregon Shore Line R. R. (Union Pacific System) owned \$4,018,700 common stock of the Chicago & Northwestern Ry.

#### COMMON STOCK SOLD BY COMPANY.

In 1903, stockholders subscribed to \$9,226,110 new common stock at par; in 1905, to \$10,609,200 additional stock at par, and in 1906,



to \$16,267,400 at par, raising the amount outstanding to \$75,217,300. In 1906, the authorized issue of common stock was increased to \$177,604,800, so that the entire capital stock (including the existing preferred stock) would be \$200,000,000. In 1907, \$24,401,625 new common stock was sold at par to stockholders, raising the total amount of common stock outstanding to \$99,612,339. In 1910, stockholders subscribed at par for common stock to the extent of 25% of their respective holdings. This issue of stock raised the amount of common stock outstanding to \$130,117,029, of which over \$90,000,000 or 69% was sold at par for cash in a period of seven years.

#### BONDS.

The Chicago & Northwestern Ry. will save in interest charges a considerable sum through refunding prior to July 1, 1917, of high-rate interest bonds. An additional saving will likely be made in subsequent years. The annual saving in interest on the total amount of bonds refunded to June 30, 1915, with General Mortgage bonds of 1987, amounts to about \$1,600,000.

During the years 1907-8 to 1910-11, inclusive, \$21,602,000 bonds and debentures matured, bearing interest of from 5% to 7%. No bonds matured in 1911-12, 1912-13 and 1913-14. On February 1, 1915, \$12,832,000 Consolidated Mortgage 7% bonds matured. Bonds and Equipment Obligations outstanding in the hands of the public and in Sinking Funds on June 30, 1915, were \$4,298,000 more than on June 30, 1912.

In 1914-15, \$10,000,000 General Mortgage 5% bonds, due 1987, were sold. Bonds under the General Mortgage issued to June 30, 1915, consisted of \$31,316,000 3½s, \$30,554,000 4s, and \$10,000,000 5s. In February, 1916, \$5,000,000 additional bonds bearing interest at the rate of 5% per annum were sold. \$85,050,500 additional bonds were as of June 30, 1915, reserved to be issued for refunding purposes. The authorized issue is \$165,000,000.

On June 30, 1915, \$2,500,000 bonds were held in Sinking Funds and \$4,308,000 were owned by the company or due from the Trustees.

Early in 1912 there was sold an issue of \$15,000,000 Milwaukee, Sparta & Northwestern Ry. First Mortgage 4% bonds, due March 1, 1947, guaranteed as to principal and interest by the Chicago & Northwestern Ry. These bonds were issued to cover the cost (\$15,093,859) of a low grade cut-off about 178 miles in length (partly doubled-tracked) to connect the Madison Division of the "Northwestern" with the Chicago, St. Paul, Minneapolis & Omaha Ry.

In 1912-13, there were sold \$2,500,000 Des Plaines Valley Ry. First Mortgage 4½s due 1947, and \$1,120,000 St. Paul Eastern Grand Trunk Ry. First Mortgage 4½s due 1947 (latter issued to refund latter's 6% bonds due January 1, 1913). The Des Plaines

Valley Ry., the St. Paul Eastern Grand Trunk Ry., and the Milwaukee, Sparta & Northwestern Ry. bonds have been assumed by the "Northwestern."

In October, 1913, \$10,000,000 St. Louis, Peoria & Northwestern Ry. First Mortgage 5% bonds, dated July 3, 1913, and due July 1, 1948, were sold. These bonds are secured by a mortgage on about 115 miles of road extending southward from Peoria, Ill., into extensive coal fields in southern Illinois, and are guaranteed as to principal and interest by the Chicago & Northwestern Ry. These bonds have since been assumed by the "Northwestern."

#### CHICAGO TERMINAL.

In 1911, the Chicago & Northwestern Ry. completed extensive new terminals in Chicago, at a cost of \$21,127,577.

#### GENERAL.

Early in 1911, the "Northwestern" acquired 20% of the outstanding capital stock of the Indiana Harbor Belt R. R. (See that company.)

The total acres remaining in the several land grants June 30, 1915, amounted to 308,740 acres.

On June 30, 1915, Current Assets were \$19,385,594 and Current Liabilities were \$10,752,790.

See under Chicago, St. Paul, Minneapolis & Omaha Ry.

#### CHICAGO, BURLINGTON & QUINCY R. R.

See Table, page 95.

In 1901 this road was leased to the Chicago, Burlington & Quincy Ry. for 999 years from October, 1901, at 7% per annum on the stock. This lease was abrogated on July 1, 1907, the Railroad Company resuming operation. In October, 1907, a quarterly dividend of 2% was paid and an extra dividend of 6%. In January, 1908, a quarterly dividend of 2% was paid, and the annual rate of 8% has since been maintained.

#### CONTROL OF "BURLINGTON."

In 1901, the Great Northern Ry. and Northern Pacific Ry. acquired \$107,611,600 of the Chicago, Burlington & Quincy R. R. stock (\$110,839,100 outstanding) in exchange for their joint 20-year 4% gold bonds, secured by the deposit of the stock in trust, on the basis of \$200 in bonds for each \$100 in stock. In 1912-13 only about \$258,000 was paid in dividends on stock not deposited as the collateral for Northern Pacific—Great Northern joint bonds. An additional \$1,496,300 Burlington stock is held by the Northern Securities Co., and \$49,600 stock is held by the Northern Pacific Ry.

#### BONDS.

On June 30, 1915, there were outstanding \$16,674,800 bonds, bearing interest of from 5% to 7%. A majority of these bonds

are held alive in Sinking Funds. \$13,613,000 6% bonds (mostly in Sinking Fund), mature July 1, 1918. In 1903, \$21,699,000 7% bonds matured, but these were extended for two years at 4%. Funds were provided for the retirement of these bonds by the sale of Illinois Division bonds, which latter bonds (\$85,000,000 outstanding, of which \$50,835,000 are 3½s, and the balance 4s), are now an absolute first mortgage on the company's terminals in Chicago and on all lines and terminals east of the Mississippi River (1,647 miles).

To June 30, 1915, there had been purchased and kept alive for the Sinking Fund \$21,850,400 bonds, at a cost of \$21,605,637, while fully \$16,200,000 bonds had been purchased and cancelled. (\$539,000 in 1914-15).

A General Mortgage was created in 1908 under which bonds were authorized to the extent of \$300,000,000, bearing interest at a rate of not to exceed 5% per annum. These bonds are a first lien on 3,328 miles of road, and on retirement of outstanding underlying bonds will be a first mortgage on the entire mileage owned (8,491 miles). The bonds mature in 1958 and have been issued or are issuable for the following purposes:

Reserved to retire underlying bonds aggregating \$167,565,000 (of which \$17,428,300 were held in Sinking Funds), and for expense of same.....	\$177,000,000
Issuable to reimburse the company for outlays already made by it for betterments and additions.....	45,000,000
Issuable for additions, improvements and betterments on the mortgaged property .....	78,000,000
	\$300,000,000

\$16,000,000 of these bonds bearing interest at 4% per annum were sold in 1907-8, and \$24,522,000 bonds were sold in 1908-9 (including \$13,724,000 to purchase \$23,657,500 common stock of the Colorado & Southern Ry.) In 1909-10, \$13,158,000 of the bonds were issued, of which \$5,639,000 were issued for Colorado & Southern Ry. stock deposited with Trustee; in 1910-11, 1911-12, 1912-13, 1913-14 and 1914-15, \$6,043,000, \$1,928,000, \$6,983,000, \$1,231,000 and \$255,000 bonds respectively were issued to refund other bonds. In 1913-14 an additional \$5,000,000 of these bonds were sold to cover the cost of improvements, etc. The total amount of these bonds outstanding on June 30, 1915, was \$75,120,000, of which \$9,873,000 were in the treasury of the company.

In February, 1916, the Chicago Union Station Co. sold \$30,000,000 of an authorized issue of \$60,000,000 First Mortgage 4½% bonds due 1963, guaranteed principal and interest by the Burlington, "St. Paul," Pennsylvania R. R. and Pennsylvania Co.

In December, 1915, the Paducah & Illinois Bridge Co. sold \$3,500,000 First Mortgage 4½% Sinking Funds bonds guaranteed

principal and interest by the Burlington and the Nashville, Chattanooga & St. Louis Ry.

## GENERAL.

The general balance sheet of June 30, 1915, showed the following items among the liabilities:

Appropriated Surplus—Additions to Property through Income since June 30, 1907 .....	\$30,486,905
Appropriated Surplus—Invested in Sinking Funds....	22,108,871
Not Specifically Invested .....	3,740,856
Funded Debt Retired through Income.....	14,642,465
Profit and Loss .....	97,879,654
	\$168,858,751

In 1909, it was announced that the "Burlington" had purchased control of the Colorado & Southern Ry. (See that company.)

As of June 30, 1914, the "Burlington" owned stock of the Colorado & Southern Ry. as follows: First preferred, \$1,130,000; second preferred, \$6,078,700; common, \$23,757,500.

On June 30, 1915, Current Assets (including \$7,171,220 materials and supplies and \$7,123,451 cash), were \$24,238,423, and Current Liabilities were \$11,421,103.

During recent years the following deductions have been made from surplus earnings for improvements, betterments, etc.:

1907-8.....	\$3,225,994	1911-12.....	\$3,944,216
1908-9.....	2,237,081	1912-13.....	7,647,743
1909-10.....	3,329,006	1913-14.....	5,715,875
1910-11.....	4,826,755	1914-15.....	3,340,669

Products of Mines contributed 39.1% of the total freight tonnage handled in 1914-15.

## CHICAGO GREAT WESTERN R. R.

See Table, page 96.

## HISTORY OF RECEIVERSHIP.

The interest due January 15, 1908, on the old Debenture stock (entitled to 4% per annum) was deferred, the company having been placed in the hands of Receivers on January 8, 1908. As of the latter date Notes and Bills Payable outstanding amounted to \$10,653,414, and it was stated that the company was indebted in other ways and was unable to meet its obligations. Committees representing the Notcholders, the Debenture holders and the stockholders were formed and adopted a Plan of Reorganization dated June 1, 1909 (see below).

In addition to the Debenture Stock, the old company had outstanding \$11,336,900 preferred "A" stock, which was limited to non-cumulative dividends of 5% per annum. The preferred stock B (\$23,051,942 outstanding) was entitled to and was limited to

non-cumulative dividends of 4% per annum. The preferred stock A received the full 5% for over four years to August, 1904, when the dividend was passed. In 1906, dividends were resumed. In October, 1907, the dividend was passed (none paid after that date).

No dividends were paid by the old company upon the preferred B stock and the common stock.

#### PLAN OF REORGANIZATION.

The Plan of Reorganization called for the organization of a new company. Debenture stock received 110% in new preferred stock. The old preferred "A" stock received 120% in new common stock. The preferred "B" and common stocks were assessed \$15 per share, receiving \$15 each in new preferred stock and \$60 and \$40 respectively in new common stock.

The new company, organized as the Chicago Great Western R. R. authorized securities (including those mentioned above) as follows:

(1) Preferred stock (4%), to an aggregate amount of \$50,000,000, of which \$41,021,402 was used for the purpose of the Plan (as above), and the remainder is to be used as from time to time shall be determined by the Board of Directors. The dividends on this stock have become cumulative since June 30, 1914, and are limited to 4% per annum. An initial dividend of 1% was paid on this stock December 1, 1915.

(2) Common stock to an aggregate amount of \$46,000,000, of which \$45,245,613 was used for the purposes of the Plan (as above).

(3) The new company authorized an issue of \$75,000,000 First Mortgage 4% bonds, dated September 1, 1909, and due September 1, 1959. Of this amount \$25,381,000 were in the hands of the public June 30, 1915. An amount not exceeding \$18,232,000 of bonds was reserved to take up bonds of the subsidiary companies (viz. \$12,000,000 4% bonds of Mason City & Ft. Dodge R. R., due 1955 and \$6,232,000 4% bonds of the Wisconsin, Minnesota & Pacific R. R., due 1950); and the remainder of the authorized issue was reserved for extensions, improvements, new construction, shares of other companies, etc. The entire stocks of these subsidiary companies and the leases of their road are covered by this new mortgage, as is the entire property of the former Chicago Great Western Ry. proper, including road, terminals, equipment, etc.

All stocks issued under the Plan of Reorganization were deposited under a voting trust which expired June 30, 1914.

A syndicate headed by J. P. Morgan & Co. agreed to furnish the company with \$24,892,274 in cash and received for the same \$18,500,000 4% bonds, \$10,136,604 preferred stock and \$31,641,333 common stock; the stocks mentioned were offered for sale by

the bankers to the holders of the common and preferred B stocks upon deposit of their shares and payment of \$10,136,604 assessment according to the terms mentioned in the Plan. The Syndicate subsequently offered the bonds at 92 and interest.

#### MASON CITY & FORT DODGE R. R.

All the stock of the Mason City & Fort Dodge R. R. (acquired 1901) is now owned and held in the treasury of the Chicago Great Western R. R. The road is 375 miles in length. The "Great Western" operates the lines, as lessee, under an agreement running until 2001, which provides, among other things, that the Mason City & Fort Dodge R. R. shall receive 60% of all earnings from business interchanged, any surplus after the payment of interest on bonds to be paid over to the parent company, as the owner of all its stock. To the extent of such surplus, the latter guarantees the future payment of the interest on the \$12,000,000 4% bonds, due 1955, of the issuing company.

#### WISCONSIN, MINNESOTA & PACIFIC R. R.

The Wisconsin, Minnesota & Pacific R. R. owns a line from Winona to Mankato, Minn., with a branch, Rochester, Minn., to Osage, Ia., 277 miles, of which 69 miles of road is leased to the M., St. P. R. & D. E. T. Co. (This lease was cancelled in February, 1916.) All of its stock is now owned and held in the treasury of the "Great Western," which formerly operated this road as lessee, under an Agreement dated April 1, 1901, which provided, as in the case of the Mason City & Fort Dodge R. R. that the surplus earnings should be paid over to the parent company, as the owner of all the stock of the W., M. & P. R. R., the parent company guaranteeing the future payment of the interest on the bonds of the latter to the extent of such surplus. As the net earnings of the W., M. & P. R. R., during 1912, were insufficient to meet the interest on its \$6,232,000 First Mortgage bonds, the coupon due October 1, 1912, was not paid by the company. In July, 1913, the Great Western offered to the holders of these bonds 50% in its own 4% First Mortgage bonds and 50% in preferred stock together with cash in payment of all defaulted coupons with accrued interest. Practically all of the bonds were thus exchanged.

#### RECONSTRUCTION WORK.

During the period from September 1, 1909, to June 30, 1915, considerable capital outlays were made towards rehabilitating the properties of the Great Western. \$10,728,322 was expended for Road Improvement and \$7,538,728 for Equipment. The terminals formerly occupied by the Wisconsin Central Ry. at St. Paul and Minneapolis were purchased during 1909-10. \$500,000 Minne-

apolis Terminal 3½% bonds were assumed by the Great Western. Main and second track on September 1, 1914, contained:

625 miles of 85-pound steel,	211 miles of 60-pound steel,
578 miles of 75-pound steel,	33 miles of 56-pound steel,
23 miles of 50-pound steel.	

The company reported on June 30, 1915, Current Assets of \$4,950,304 (including \$2,776,327 cash), and Current Liabilities of \$2,475,520.

### CHICAGO, INDIANA & SOUTHERN R. R.

See Table, page 97.

The Chicago, Indiana & Southern R. R. Co. was formed on April 9, 1906, by the consolidation of the Indiana, Illinois & Iowa R. R. and the Indiana Harbor R. R. On the same date the Chicago, Indiana & Southern R. R. acquired the entire capital stock of the Danville & Indiana Harbor R. R.

The preferred stock is entitled to cumulative dividends at the rate of 4% per annum. No dividends are being paid.

As of December 31, 1914, the total outstanding stock of this company was owned by the Lake Shore & Michigan Southern Ry. On January 1, 1915, the Chicago, Indiana & Southern R. R. was merged into the New York Central R. R.

The Chicago, Indiana & Southern R. R. has outstanding \$15,150,000 50-year 4% gold bonds due 1956. The balance of the authorized issue is reserved to retire the \$4,850,000 Indiana, Illinois & Iowa R. R. First Mortgage 4% bonds. The Chicago, Indiana & Southern R. R. bonds are guaranteed principal and interest by the "Lake Shore" Ry.

Jointly with four other railroads in the New York Central & Hudson River R. R. System, the Chicago, Indiana & Southern R. R. guaranteed principal and interest, \$30,000,000 New York Central Lines, 5% Equipment Trust Certificates of 1907, \$30,000,000 4½% Equipment Trust Certificates of 1910 and \$15,000,000 Equipment Trust Certificates of 1912. The company's share of the equipment leased under these trusts cost about \$4,000,000, \$1,800,000 and \$215,000, respectively.

Products of Mines (largely bituminous coal), contributed about 70% of the total tonnage moved in 1914.

The balance sheet of December 31, 1914, showed Current Assets \$2,186,223 and Current Liabilities, \$1,486,078.

### CHICAGO, INDIANAPOLIS & LOUISVILLE RY.

See Table, page 98.

The preferred stock is limited to non-cumulative dividends of 4% per annum.

Dividends have been paid on both classes of stock as follows (dividends payable June and December):

	1902	'03 & '04	'05 to '08	'09 to '13	'14 & '15
Preferred %.....	4	4	4 yearly	4 yearly	4 yearly
Common %.....	1	2½	3 yearly	3¼ yearly	0

No dividend has been paid on the common stock since December 30, 1913.

In August, 1902, the Louisville & Nashville R. R. and the Southern Ry. acquired 92½% of the common stock and 77% of the preferred stock on the basis of \$78 and \$90 per \$100 share, respectively, in their joint 50-year 4% Collateral Trust Gold bonds at par secured by the stock acquired. The offer to the stockholders provided for the payment in cash of six-tenths of the purchase price at the option of the stockholders.

This company guarantees by indorsement, principal and interest, the \$1,650,000 4% bonds of the Indianapolis & Louisville Ry. (see below); also \$253,000 5% bonds of the Indiana Stone R. R. jointly and severally with the Baltimore & Ohio R. R. and the Southern Ry. this company guarantees principal and interest \$6,282,781 First Mortgage 4½% bonds due 1961 of the Kentucky & Indiana Terminal R. R. The Chicago, Indianapolis & Louisville Ry. also guarantees the interest only, on the First Mortgage Sinking Fund 5% bonds (\$2,875,000, due 1936) of the Monon Coal Co.

The Kentucky & Indiana Terminal R. R. operates a new double-track bridge across the Ohio River between New Albany, Ind., and Louisville, Ky., etc. The property is leased for 99 years by the Chicago, Indianapolis & Louisville Ry., Baltimore & Ohio R. R., and Southern Ry., which companies together own in equal parts the entire capital stock of the company.

In 1914 the Chicago, Indianapolis & Louisville Ry. purchased the Chicago & Wabash Valley R. R. extending from McCoysbury to Dinwiddie, Ind., (36 miles). This line is to be extended an additional 6 miles. To pay for this railroad line and for other purposes the Chicago, Indianapolis & Louisville Ry. authorized and issued \$1,500,000 General Mortgage 5% bonds due July 1, 1919.

Products of Mines (largely stone, sand, etc.) have contributed a large proportion of the freight tonnage carried, viz.:

'14-15	'13-14	'12-13	'11-12	'10-11	'09-10	'08-9	'07-8
55.8%	52.3%	50.1%	48.3%	46.1%	46.2%	47%	42.6%

On June 30, 1915, Current Assets (including \$471,861 materials and supplies) amounted to \$1,544,263, and Current Liabilities amounted to \$2,509,556. Credit to Profit and Loss Account was \$5,196,328.



## CHICAGO, MILWAUKEE &amp; ST. PAUL RY.

See Table, page 99.

After the payment of 7% on both preferred and common stock both issues share alike. The preferred stock (having priority to 7% per annum) is receiving 7%, and the common received 7% until March, 1912, when the dividend rate was reduced to 5%. In September, 1915, there was a further reduction in the dividend rate to 4% per annum. In March, 1916, the rate was again increased to 5% per annum.

Dividends have been paid in recent years as follows:

		'97-'00	'01	'02-'11	'12-'14	'15
On Common	% (M. & S.)	5 yearly	6	7 yearly	5	4½
On Preferred	% (M. & S.)	7 yearly	7	7 yearly	7	7

## STOCK SOLD BY COMPANY.

Early in 1906 \$25,000,000 new stock was subscribed for at par by stockholders. Stockholders in December, 1906, were given the privilege to subscribe at par for \$66,328,500 preferred stock and \$33,164,300 common stock, each stockholder being entitled to subscribe for an amount of new preferred stock and new common stock, equal at par value to 50% and 25% respectively, of the par value of all the shares of stock both preferred and common, standing in his name. The new stock was paid for in seven installments, the final payment having been made March, 1909. The company paid interest at the rate of 5% per annum up to March, 1909, on all installments received.

About \$40,000,000 of the outstanding preferred stock has been issued in exchange for old issues of 7% Convertible bonds and the balance has been sold for cash.

## PACIFIC EXTENSION.

The proceeds from the sale of stock, as above, were used by the company for the most part, in acquiring "a line of railroad with the necessary terminals, branches, facilities and equipment, to connect with its present line of railroad and to form an extension thereof from its present western terminus to the Pacific Ocean." The main line extending from the Missouri River to Seattle and Tacoma was completed in June, 1909. A large number of additional branch lines were completed prior to January 1, 1913. The Pacific Extension was operated by the Chicago, Milwaukee & Puget Sound Ry., until January 1, 1913, when the latter was merged into the St. Paul System. This company authorized \$200,000,000 First Mortgage 4% bonds due 1949, of which \$27,175,000 have been sold. These bonds are now a direct obligation of the "St. Paul." An additional \$154,489,500 were turned over to the "St. Paul," and are now deposited under that company's General and Refunding Mortgage (see following). The Puget Sound Line

paid 2.7% dividends in 1909-10 and 2.3% in 1910-11. No dividends were paid in 1911-12. The earnings of the Chicago, Milwaukee & Puget Sound Ry. while operated separately were as follows:

Year	Avg. Miles Operated	Gross	Surplus
*1909-10.....	1,434	\$10,765,704	\$2,255,440
1910-11.....	1,917	14,516,367	2,772,197
1911-12.....	2,059	16,132,612	†151,538

\*Eleven months only (August 1, 1909, to June 30, 1910). †Deficit.

## BONDS.

In 1909, the "St. Paul" authorized \$50,000,000, 25-year 4% debentures, \$33,286,000 of which were outstanding June 30, 1915. The proceeds derived from the sale of these debentures, it was stated, were to be used chiefly to construct branch lines in connection with the Pacific Extension. These debentures together with \$48,176,655 4% debentures, due June 1, 1925 (sold in France) are now secured by the General and Refunding mortgage (see following). The debentures sold in France have been mostly acquired by American Bankers and deposited as collateral for a like amount of bonds issuable in U. S. Gold.

Profit and Loss Account was debited in 1910-11, \$7,768,201, representing Discount, Commission and Expenses, in connection with the sale of the two issues of debentures mentioned above.

The company's General Mortgage (authorized 1889), has provided for the refunding of a large amount of underlying bonds bearing high rates of interest. To June 30, 1915, General Mortgage bonds had been issued as follows:

4½% bonds in hands of public .....	\$39,741,000
4% bonds in hands of public .....	48,241,000
3½% bonds in hands of public .....	8,950,000
In treasury of the company .....	159,000

Total outstanding .....

\$97,091,000

The balance of the authorized issue of \$150,000,000 is reserved to take up prior lien bonds. \$2,856,000 of the 4½% bonds were sold in December, 1915, for refunding purposes.

In 1913, stockholders authorized a General and Refunding Mortgage. This is practically an open mortgage; when the bonds issued thereunder, bearing interest not in excess of 6% per annum, reach a total of \$696,000,000 further issues must be limited to 75% the cost of property placed under the mortgage. The "St. Paul's" Convertible issues and the debentures are secured under this mortgage. \$18,089,000 of these bonds, bearing interest at 4½% per annum were sold in 1914, and \$29,089,700, bearing interest at 5% per annum, were sold in March, 1915, to stockholders, at par, payable either in full or in four installments.

Both issues mature 2014. The 5% bonds are convertible into common stock at par for ten years beginning February 1, 1916. A total of \$123,893,800 General and Refunding Mortgage bonds were in the Company's treasury June 30, 1915.

In February, 1916, an issue of \$30,000,000 First Mortgage 4½% bonds due 1963 of the Chicago Union Station Co. were issued bearing the guarantee of the Chicago, Milwaukee & St. Paul Ry., the Chicago, Burlington & Quincy R. R., the Pennsylvania Co. and the "Pan Handle."

#### CONVERTIBLE BONDS.

Stockholders of record April 25, 1912, were allowed to subscribe for new convertible 4½% bonds to the extent of 15% of their respective holdings. Likewise stockholders of record February 6, 1913, were allowed to subscribe to these convertibles to the extent of 6% of their holdings. These bonds (of which \$49,980,800 were issued) will mature June 1, 1932, but may be converted at par into common stock after June 1, 1917, and prior to June 1, 1922, at the option of the holders. At the option of the company they are redeemable at 105% and interest after June 1, 1922, on 90 days' notice.

#### GENERAL.

The balance sheet of June 30, 1915, showed among the assets (Property Investment) of the company, \$34,993,759, representing advances to controlled companies, and \$14,567,839, representing bonds and stocks of proprietary, affiliated and controlled companies. Working Assets, including \$15,426,097 cash and \$8,258,192 Material and Supplies were \$29,529,531, while Working and Accrued Liabilities were \$15,101,647. There was a credit balance to Profit and Loss of \$33,904,375.

The "St. Paul" in April, 1914, commenced the electrification of about 450 miles of the Puget Sound line. 113 miles of the line were ready for full electric operation in December, 1915, and an additional 115 miles will be ready early in 1916.

#### CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RY.

See Table, page 100.

The preferred stock has a prior right to dividends up to 7% per annum. The common cannot receive more than is paid on the preferred. The preferred is receiving 7% and the common 7% payable semi-annually in February and August. The rate of dividends on the common was raised in August, 1902, from 5% to 6%, and again in February, 1905, to 7%.

As of June 30, 1915, the Chicago & Northwestern Ry. owned 149,200 shares of "Omaha" common and preferred stock, carried at a valuation of \$10,337,152. This included 2,200 shares acquired during 1909-10. The balance of the stock was acquired in 1883.

There was owned and unsold June 30, 1915, 72,905 acres of land. The net income from all grants for the year 1914-15 was \$6,100.

To June 30, 1915, there had been sold \$3,734,000 Consolidated Mortgage bonds, the interest on which had been reduced from 6% to 3½%. All the bonds of the company mature between November 1, 1915, and June 1, 1930, and, with the exception of the 3½% bonds referred to, they all bear interest at 5% and 6%.

In 1912, \$15,000,000 5% Debenture gold bonds of 1930 were authorized, of which amount \$11,200,000 have been sold.

As of June 30, 1915, Current Assets (including \$1,360,715 material and supplies, but omitting \$4,231,128 company's stock owned) were \$3,275,830, and Current Liabilities were \$2,905,690.

### CHICAGO, TERRE HAUTE & SOUTHEASTERN RY.

See Table, page 101.

The Chicago, Terre Haute & Southeastern Ry. was incorporated in November, 1910, as successor to the Southern Indiana Ry. and Chicago Southern Ry. A receiver for the latter two companies had been appointed in August, default having been made on various issues of notes and bonds then outstanding. The Southern Indiana Ry. operated the section of the existing line which extends from Humrick (on the Indiana-Illinois line) via Terre Haute, Belford and Seymour to Westport, Ind. (mileage including branches, about 228 miles). The Chicago Southern Ry. operated the Chicago Division, Humrick, Ill., to Chicago Heights, Ill. (114 miles).

Cash for reorganization purposes was raised by the sale of \$2,500,000 C. T. H. & S. E. First and Refunding Mortgage 50-year 5% bonds (\$20,000,000 authorized, of which \$7,887,000 are reserved to retire underlying bonds, and the balance for corporate purposes, additions and betterments, etc.). Additional First and Refunding bonds were later sold, making the total amount outstanding June 30, 1915, \$4,244,000. An additional \$2,090,000 of these bonds were as of June 30, 1915, pledged as security for \$1,480,000 Loans.

The Plan of Reorganization called for the issue of \$6,500,000 (voting) Income bonds, bearing interest at 4% per annum to December 1, 1912, and 5% cumulative thereafter; and \$5,500,000 stock. Holders of Southern Indiana Ry. General Mortgage bonds received for each \$1,000 bond, \$850 in new Income bonds and \$400 in new stock. Holders of Collateral bonds and First Mortgage bonds of the Chicago Southern Ry. received for each \$1,000 bond, \$700 in Income bonds, and \$400 in new stock. Holders of "Syndicate Certificates" received 42% in Income bonds and 58% in stock. The old stocks of the Southern Indiana Ry. and Chicago Southern Ry. were wiped out.

The new company began operations with a fixed interest bearing debt (including \$350,000 Bedford Belt Ry. bonds and \$7,537,000 Southern Indiana Ry. 4s) of \$10,387,000 and with \$6,336,055 Income bonds and \$4,100,000 stock (\$5,500,000 authorized). This stock has been placed in a voting trust until December 24, 1920.

1% was paid on the Income bonds in September, 1911; 2% in 1912; 1% in March, 1913, and 1¼% in September, 1913. No interest has since been paid. These Income bonds have voting power—one vote for each \$100 Income bond—and are subject to call at par on three months' notice.

This company uses 12.47 miles of the Baltimore & Ohio Chicago Terminal R. R. under trackage rights only.

The entire Chicago Southern Division is laid with 80-pound rail. The balance of the road is laid (except for a few small branches and spurs) with 80-pound and 70-pound rail.

To December, 1915, passenger service had not been established between Chicago and Terre Haute.

The balance sheet as of June 30, 1915, showed Current Assets \$538,982, and Working and Accrued Liabilities \$441,089.

82½% of all tonnage handled in 1914-15 consisted of bituminous coal. Products of Mines contributed 90% of all freight tonnage handled.

### CINCINNATI, HAMILTON & DAYTON RY.

See Table, page 102.

#### RECEIVERSHIP.

On July 2, 1914, Judson Harmon and Rufus B. Smith were appointed Receivers for this company, interest having been defaulted on the 5% bonds of the Indiana, Decatur & Western Ry. and the 4% bonds of the Cincinnati, Indianapolis & Western Ry. Subsequently interest was defaulted on various other obligations of the Cincinnati, Hamilton & Dayton Ry. No Plan of Reorganization had been announced at the date of going to press.

#### HISTORY.

The statistics given on the statistical page of this book include the operations of the following: (1) Cincinnati, Hamilton & Dayton Ry. (2) Dayton & Michigan R. R. (3) Home Ave. R. R. (4) Cincinnati, Findlay & Ft. Wayne Ry. (see a following paragraph). (5) Cincinnati, Indianapolis & Western Ry. (now separately reorganized, see following). (6) Columbus, Findlay & Northern R. R. (7) Bowling Green R. R. (8) Piqua & Troy Branch R. R. (9) Cincinnati & Dayton Ry.

In 1904 the C. H. & D. Ry acquired a large amount of common and preferred stock of the Pere Marquette R. R. On March 1, 1905, the Cincinnati, Hamilton & Dayton Ry. leased the Pere Marquette R. R. for 999 years, the lease providing for guaranteed

dividends at the rate of 4% and 5% respectively on that company's preferred and common stock.

On December 4, 1905, Judson Harmon was appointed Receiver of this company, as well as of the Pere Marquette R. R. (which see), and in January, 1906, the Court authorized the Receiver to relinquish possession under this lease. In October, 1907, the stockholders voted to cancel the lease, and to settle all questions between the two companies by arbitration. In July, 1909, the Receiver for the C. H. & D. Ry. was discharged and the company resumed possession of the road without foreclosure (see below).

\$11,000,000 common stock of the Pere Marquette R. R. was sold in April, 1911, by the C. H. & D. Ry. to J. P. Morgan & Co. The loss to the C. H. & D. Ry. account of this sale amounted to \$11,220,000, a sum equal to \$102 per share. This loss was debited to Profit and Loss.

In 1904, \$6,676,925 of its own \$6,925,500 5% preferred, and all of its \$1,074,500 4% preferred stock was purchased by the C. H. & D. Ry., at \$110 and \$100 per share, respectively. To provide funds for the purchase of this stock, and for the purchase of stock of the Pere Marquette R. R., the C. H. & D. Ry. sold \$15,000,000 Gold Collateral 4½% Notes due 1908. These Notes were secured by an equal amount of Consolidated Mortgage 4½% bonds dated January 2, 1905, \$7,751,425 of the preferred 4% and 5% stock of the C. H. & D. Ry. and other securities. The interest on these Notes was defaulted in 1906. Interest on several issues of bonds was also defaulted in 1908, but was paid with interest in 1909. As a part of the Plan of Readjustment (see following) the \$7,751,425 preferred stock was cancelled and the Notes were exchanged for General Mortgage bonds.

In September, 1905, the Erie R. R. arranged to acquire control by purchase through J. P. Morgan & Co., of about \$5,000,000 stock of the C. H. & D. Ry., but the obligations of the company, under leases and other contracts, being found unduly heavy, J. P. Morgan & Co., in November, 1905, relieved the Erie R. R. of its purchase. In 1909, it was announced that the C. H. & D. Ry. would be acquired by the Baltimore & Ohio R. R.

#### CURRENT ASSETS AND LIABILITIES.

The balance sheet as of June 30, 1915, (not including Cincinnati, Findlay & Ft. Wayne Ry. and Cincinnati, Indianapolis & Western Ry.) showed Current Assets \$2,893,800 and Current Liabilities of \$18,446,801. Current Liabilities did not include \$10,615,137 non-negotiable debt due to affiliated companies (mostly due the B. & O. R. R. for advances). There was a debit balance to Profit and Loss of \$32,426,327, as against \$10,582,325 in 1909-10.

## GUARANTEED NOTES.

On July 1, 1913, \$11,557,000 5½-year Purchase Money 4% Notes matured. These \$11,557,000 Notes were secured by \$13,000,000 First and Refunding 4% bonds (see following), and were guaranteed, principal and interest, by the Baltimore & Ohio R. R. They were acquired by that company at maturity.

## GENERAL.

The C. H. & D. Ry., through ownership of stock in the Southwestern Construction Co., controls, jointly with the Southern Ry., the Cincinnati, New Orleans & Texas Pacific Ry., which see.

Products of Mines contributed 62.4% of all freight handled in 1914-15.

## READJUSTMENT PLAN.

A plan was adopted in June, 1909, which provided that the control of the system be acquired by the Baltimore & Ohio R. R., which company agrees to purchase the C. H. & D. Ry. stock at the end of seven years from July 1, 1909, at a price to be fixed by arbitration (minimum, \$2,530,000; maximum, \$3,270,970); until then the controlling stock is to be vested in three voting trustees, one of whom shall be the president of the Baltimore & Ohio R. R. Capital was provided through securities, including issues guaranteed by the Baltimore & Ohio R. R. to pay or secure all claims or liens ranking ahead of the \$15,000,000 4½% Notes, for construction and development purposes and for working capital; the holders of 4½% Notes received for each \$1,000 of Notes, \$60 in cash and \$1,000 of new General Mortgage bonds, to draw interest as follows: 4½% dependent upon income until July 1, 1911; 1% fixed and 3½% dependent upon income until July 1, 1914; 3% fixed and 1½% dependent upon income until July 1, 1916; thereafter 4½% fixed. 1% was paid in 1912-13, and 1913-14. The January, 1915, coupon was defaulted.

During July, 1916, (or sooner, in case of earlier acquisition by that company of the controlling stock) the Baltimore & Ohio R. R. will, upon demand, unless said General Mortgage bonds shall have been sooner redeemed, either pay 85% in cash and interest for said bonds, or issue in exchange therefor a new 4% bond, secured by said General Mortgage and guaranteed as to principal and interest by the Baltimore & Ohio R. R.; the latter to elect whether to make such purchase or such exchange.

The General Mortgage bonds referred to mature July 1, 1939, and were issued to the extent of \$20,000,000, of which \$15,000,000 were to be exchanged for the 4½% Notes (see above) and \$5,000,000 to pay off floating debt. On June 30, 1915, \$2,471,000 bonds of this issue were held in the company's treasury. In December, 1915, an offer was made by a committee in behalf of the

Baltimore & Ohio R. R. to purchase the outstanding bonds of this issue at 70.

A First and Refunding Mortgage to cover \$75,000,000 4% bonds, dated July 1, 1909, and due July 1, 1959, was authorized to carry out the extensive financial plan to rehabilitate the property. The mortgage covers all the lines of railway of the company, all its leasehold rights, all stocks of subsidiary companies and all property acquired by the proceeds of these bonds.

To June 30, 1915, \$29,190,000 of these bonds had been issued, of which \$9,177,000 were outstanding and the balance were deposited as collateral for other loans or debts or were held in the company's treasury. Of the outstanding bonds, \$7,500,000 are guaranteed principal and interest by the Baltimore & Ohio R. R. Interest is being advanced by the latter company on the guaranteed bonds.

In June, 1915, it was announced that the Cincinnati, Indianapolis & Western Ry. would be reorganized separately. This line extends from Hamilton, Ohio, *via* Indianapolis to Springfield, Ill. (284 miles) with a branch Sidell, Ill., *via* West Liberty to Olney (85 miles). The section of the line, Hamilton to Indianapolis, forms a portion of a through line Cincinnati to Chicago, used jointly by this railway and the Chicago, Indianapolis & Louisville Ry. The Plan of Reorganization follows:

		Receive		
		1st M.	Pfd. Stock	Com.
		Bonds	(5%)	Stock
\$4,722,000	C. I. & W. 4s.. 30%	30%	60%	60%
3,162,000	I. D. & W. 4s.. 30%	30%	60%	60%

The assessment amounted to \$2,365,200 cash; and the securities issued consist of \$2,365,200 First Mortgage 5% bonds due 1965 (\$12,000,000 authorized); \$4,730,400 preferred stock (\$7,500,000 authorized), and \$4,730,400 common stock (\$7,500,000 authorized). Approximately \$1,700,000 Equipment Bonds will be issued. The balance sheet of the C. I. & W. Ry., June 30, 1915 (prior to Reorganization) showed Current Liabilities amounting to \$777,714; also \$1,036,766 Non-negotiable Debt to affiliated companies. There were no Current Assets and the debit balance to Profit and Loss totalled \$1,091,295. This included the Income Deficit for 1914-15, amounting to \$756,795.

There is a likelihood the Cincinnati, Findlay & Ft. Wayne Ry. will also be reorganized separately. The \$1,150,000 First Mortgage bonds of this company have been in default since November, 1914. This company's balance sheet as of June 30, 1915, showed Current Assets \$550 and Current Liabilities \$66,691. The Income Deficit for the year 1914-15 amounted to \$91,874. This railway extends from Findlay, Ohio, to Ft. Wayne, Ind. (80 miles) with a branch Delphos to Mandale, O. (11 miles).



## CINCINNATI NORTHERN R. R.

See Table, page 103.

An initial annual dividend of 3% was paid on the stock of this company March 1, 1910. A similar annual dividend of 3% was paid on March 1, 1911, and March 1, 1912, an annual dividend of 1½% was paid. On March 1, 1913, a dividend of 1½% was paid from free surplus. In 1914 the dividend was passed. In March, 1916, 3% was paid.

Of the \$3,000,000 capital stock of this road outstanding \$1,707,400 is owned by the Cleveland, Cincinnati, Chicago & St. Louis Ry. and is carried by the latter at a book value of \$518,741. The latter company owns also \$581,000 of the \$1,000,000 (\$3,000,000 authorized) 4% bonds of this company.

During recent years there have been charged against income for additions and betterments, representing new construction, new equipment (additions), etc., the following sums:

Year 1904.....	\$29,464	Year 1908.....	\$20,458
Year 1905.....	17,675	Year 1909.....	17,531
Year 1906.....	32,499	Year 1910.....	29,716
Year 1907.....	149,023	Years 1911 to 1914.....	None

So far as the figures on the statistical page of this book are concerned, these expenditures are considered as having been deducted from surplus earnings.

On December 31, 1914, Current Assets were \$361,233, and Current Liabilities were \$188,471.

Products of Mines contributed 65% of the freight handled in 1914 against 60% in 1913, 66% in 1912, 59% in 1911, 57% in 1910, 52% in 1909, 49% in 1908 and 46% in 1907.

In November, 1914, the Cincinnati Northern R. R. sold \$430,000 5% Equipment Certificates due serially September 1, 1916, to 1925 inclusive.

## CLEVELAND, CINCINNATI, CHICAGO &amp; ST. LOUIS RY.

See Table, page 104.

The preferred stock is limited to 5% per annum and received 5%, payable quarterly, until October 1, 1913, when the dividend was passed. For several years to and including 1907, the common stock received 4% per annum, March and September. In March, 1908, the dividend was 1%. In September, 1908, and in 1909, the dividends on the common stock were omitted. In 1910, 4% was paid; no dividends have since been paid.

STOCK SOLD—CONTROL BY "NEW YORK CENTRAL."

Since 1905, new common stock has been issued as follows: 1905, \$2,872,100 to stockholders at par, and \$4,727,900 additional sold; in 1906, \$4,404,837 additional stock sold; in 1907, \$4,806,580

common stock sold to stockholders at \$90 a share; in 1907, \$2,249,720 stock sold (price not stated), bringing the total amount outstanding to \$47,056,300. The authorized amount is \$50,000,000.

The New York Central R. R. held in January, 1915, \$30,207,700 of the common stock of the "Big Four." Prior to the merger with the "Lake Shore," January 1, 1915, the "Big Four" stock was held by the latter company.

#### SECURITIES OWNED.

The "Big Four" owns a majority (\$5,000,100) of the \$10,000,000 stock of the Peoria & Eastern Ry. (338 miles owned), and guarantees interest on that company's bonds, excepting the income bonds. The "Big Four" owns a majority (\$1,707,400) of the \$3,000,000 stock of the Cincinnati Northern R. R. (206 miles owned), also large stock interests in various depot and terminal companies. The balance sheet of December 31, 1904, showed an investment in Chesapeake & Ohio Ry. stock representing an outlay of \$2,453,570. There were sold in 1907, 45,000 shares of stock of the Chesapeake & Ohio Ry. for the sum of \$2,586,475. Profit and loss in 1909 was credited with \$814,291 profit from sale of 30,000 shares of Chesapeake & Ohio Ry. stock.

The Central Indiana Ry. (127 miles) is controlled by the "Big Four" and Pennsylvania R. R. interests. \$1,500,000 4% bonds outstanding are guaranteed by the "Big Four." This road annually reports large deficits (1914 Operating Revenues, \$203,714; Deficit after Charges, \$143,901).

#### GENERAL.

A new line (double tracked) was opened for traffic July 1, 1911, between Mt. Carmel, Ind. (on the "Big Four"), and Evansville, Ind. (37 miles).

Jointly with other railroads in the New York Central System, the "Big Four" guarantees principal and interest \$30,000,000 5% Equipment Trust Certificates of 1907; \$30,000,000 4½% Equipment Trust Certificates of 1910; \$15,000,000 4½% Equipment Trust Certificates of 1912 and \$22,438,000 4½% Equipment Trust Certificates of 1913. The "Big Four's" share of equipment leased under these issues amounted to about \$4,000,000, \$3,300,000, \$2,665,000 and \$1,900,000 respectively.

The "Big Four" issued in 1910 and 1911 \$9,650,181 4% Debentures and \$5,000,000 4½% Debentures (\$10,000,000 authorized of each issue). These Debentures mature in 1930 and 1931, respectively. The proceeds were used to provide for the payment of \$5,000,000 Notes due June, 1911, and for construction and improvements.

The balance sheet of December 31, 1914, showed Current Assets (including \$2,472,222 materials and supplies) \$10,486,864, and Current Liabilities (including \$8,041,810 Loans and Bills Payable) \$18,456,869.

## DETROIT AND MACKINAC RY.

See Table, page 105.

The first semi-annual dividend on the preferred stock  $2\frac{1}{2}\%$  was paid July 1, 1903, since which time dividends have been paid regularly in January and July. From January, 1912, until January, 1915, semi-annual dividends of  $2\frac{1}{2}\%$  were paid on the common stock. The July, 1915, dividend was not paid. In January, 1916,  $2\frac{1}{2}\%$  was paid.

The mortgage bonds were reduced \$750,000 in 1902, by exchange of same for preferred stock at par. The bonds were cancelled.

In January, 1910, there was completed a branch from Alpena to Hillman (25 miles); this extension is projected to Atlanta.

In June, 1914, the Au Sable & Northwestern Ry. (Au Sable, on the Detroit & Mackinac Ry. to Comins 56 miles) was purchased. This is a narrow gauge road. Plans have been made to standardize the gauge of this line.

For years large sums have been deducted from income for improvement, equipment and new extensions. For the past eight years deductions have been made (including cost of Hillman Branch and Rogers City extension, Au Sable & Northwestern Ry., etc), as follows:

1907-8.....	\$154,599	1911-12.....	\$22,490
1908-9.....	123,706	1912-13.....	94,959
1909-10.....	152,108	1913-14.....	54,612
1910-11.....	42,214	1914-15.....	68,414

Of the freight tonnage carried during recent years Products of Forests and Products of Mines have contributed the following:

	'14-15	'13-14	'12-13	'11-12	'10-11	'09-10	'08-9	'95-6
P. of F. %.....	33	42	45	48	56	56	52	91
P. of M. %.....	30	27	23	19	23	18	17	01

Current Assets (excluding bonds in treasury) on June 30, 1915, were \$51,374 and Current Liabilities (including interest accrued) were \$84,844.

## DETROIT, TOLEDO &amp; IRONTON R. R.

See Table, page 106.

This company (incorporated March 1, 1914) is the successor to the Detroit, Toledo & Ironton Ry. Receivers were appointed for the latter company owing to its having defaulted February 1, 1908, the interest then due on the Consolidated Mortgage  $4\frac{1}{2}\%$  bonds. Subsequently the Railway Company defaulted on practically all of its fixed interest obligations.

## HISTORY.

The Detroit, Toledo & Ironton Ry. was the successor to the Detroit Southern R. R. Co., whose property was sold May 1,

1905, under foreclosure. In the reorganization \$4,495,000 Ohio Southern Division 4% bonds remained undisturbed and \$4,253,000 General Lien and Divisional First Mortgage 4% bonds were issued to holders of the Detroit Southern R. R. Consolidated Mortgage bonds. A new Consolidated Mortgage was authorized. \$2,675,000 4½% bonds under this mortgage (\$22,500,000 authorized) were issued in 1905 to bankers and stockholders in consideration for cash furnished, and in 1906, about \$100,000 were issued in exchange at par for part of Ann Arbor R. R. minority stock (see below). The February 1, 1908, interest on these bonds was defaulted, and the company was placed in the hands of Receivers.

## REORGANIZATION PLAN.

On December 15, 1913, a Plan of Reorganization was announced. Prior to that date an unsuccessful attempt was made to reorganize separately the Ohio Southern Division and the Detroit, Toledo & Ironton Ry. proper. This plan provided for the reorganization of the property as a whole, the new company to have the following authorized capitalization:

	Amount Authorized
First Mortgage 5% 50-Year Gold Bonds .....	*Unlimited
Adjustment Mortgage 5% Income Bonds due 1943...	\$8,000,000
Preferred Stock (4%, non-cumulative).....	* 6,000,000
Common Stock .....	6,500,000

*\*Issuable under carefully guarded restrictions; for the cost of additional property and equipment, for the building of a bridge or bridges over the Ohio River, for terminals, for relocation of lines and for extensions. (\$950,000 issued to June 30, 1915).*

The Adjustment bonds mostly issued as per Plan following, are entitled to interest at the rate of 5% per annum, which interest will be cumulative after January 1, 1919. The issue is redeemable as a whole at the company's option at 70 and interest during the first year; at 75, 80, 85 and 90 and interest respectively during the second, third, fourth and fifth year, and at par and interest thereafter. The Adjustment bondholders shall have the right to cast one vote for every \$100 of bonds owned until the full interest shall have been paid for two successive years and at least for five years from the date of issue. This voting right may be terminated upon making the interest fixed without regard to the amount of net income.

The preferred stock shall receive 4% in priority to the common stock and shall share pro rata with the latter until 6% shall have been paid on both classes of stock; all dividends thereafter shall accrue to the common stock.

Under the Plan, holders of securities of the old company were assessed and received New Securities as follows:

Holders of \$1,000 of	Securities received:			
	Assessment	Adj. Bonds (166⅔% of Preferred)	Stock	Common Stock
Ohio Southern Div. 4%..	\$350	\$583.33	\$550	\$550
General Lien & Div. 4%.	350	583.33	500	500
Gen. Lien Coup. Dec., 1909	250	416.67	200	200
Receivers Ctfs. Feb. 24, '08	250	416.67	200	200
Consolidated 4½% bonds.	100	166.33	50	100

The stocks of the old company did not participate in the Reorganization.

The Plan above called for the payments of assessments to the amount of \$4,079,955 and for the issue to the bondholders paying the assessment of \$6,799,923 Adjustment bonds, \$5,132,582 preferred stock and \$5,633,408 common stock. A syndicate, which received \$130,000 of Adjustment bonds as a compensation, agreed to insure the raising of at least \$1,980,000 of the assessment. For each \$1,000 which it was called on to pay, the syndicate received \$1,702.02 Adjustment bonds, \$1,439.39 preferred stock and \$1,691.41 common stock of the new company.

The existing capitalization \$21,699,000, of which only \$1,199,000 are fixed interest obligations, compares with a capitalization of \$44,329,280 as of June 30, 1913, of which \$19,329,280 were fixed interest obligations. Bond interest (not including Equipment Obligations), amounted June 30, 1915, to about \$102 per mile as compared with about \$1,770 per mile in former years.

The property is being thoroughly rehabilitated, it having been allowed in former years to deteriorate to such an extent that safe economical operation was not possible. Bridges have been repaired and rebuilt, upwards of 410,000 ties and a large mileage of heavy rail laid in the main track, 130 miles of line re-ballasted, etc. These improvements, the cancellation of rates which has eliminated non-profitable freight from carriage, and a change of general policy on the part of the management has greatly reduced the Operating Ratio and has added considerable net revenue to the Income Account.

#### FORMER REORGANIZATIONS.

The capital stock and bonds of the Detroit Southern R. R. outstanding June 30, 1904, consisted of: Preferred stock (4%), \$6,500,000; common stock, \$10,500,000; bonds and equipment obligations, \$8,683,557. These stocks in the Reorganization in 1905 were assessed \$10 and \$5, respectively, and received par in Consolidated Mortgage 4½% bonds for the assessment. The preferred stock received 100% in new first preferred stock and the

common 40% in new second preferred stock. The \$12,500,000 common stock was issued to the reorganization managers.

The Detroit Southern R. R. was a consolidation of the Detroit & Lima Northern R. R. and the Ohio Southern R. R. Both of these companies passed into Receivers' hands in 1898 and were reorganized as the Detroit Southern R. R. in 1901.

#### FORMER OWNERSHIP OF ANN ARBOR R. R.

On June 1, 1905, the Detroit, Toledo & Ironton Ry. purchased about 72% of the capital stock of the Ann Arbor R. R., viz.: \$3,010,000 preferred and \$2,190,000 common stock. For the purpose of acquiring this stock \$5,500,000 5% 3½-year Notes were issued. After 1905, \$92,400 additional preferred stock was purchased. There were deposited as collateral for these Notes \$5,000,000 Consolidated Mortgage 4½% bonds and the Ann Arbor R. R. stocks above mentioned. These Notes were not paid off at maturity and the collateral was surrendered to the Noteholders' Committee.

The Ann Arbor R. R. (which see) is now being operated separately under its own management.

#### GENERAL.

In 1914-15, Products of Mines contributed 56% of the total freight tonnage carried.

The balance sheet as of June 30, 1915, showed Current Assets to the amount of \$398,070 and Current Liabilities of \$410,140. The credit balance to Profit and Loss was \$28,986.

For the six months ending December 31, 1915, the Net Earnings of the D. T. & I. R. R., after Taxes, Rentals and Hire of Equipment were \$224,806.

#### GRAND RAPIDS & INDIANA RY.

See Table, page 107.

In April, 1900, 1% was paid on the stock; in 1901, 2% was paid, and dividends at the rate of 3% per annum were paid from 1902 to 1909, inclusive (April and October). In April, 1910, 1½% was paid. In October, 1910, the dividend was passed and no further dividends were paid to January 1, 1916.

The Pennsylvania Co. controls the operation of this road through its ownership of stock. On December 31, 1914, the Pennsylvania Co. owned \$2,965,900 stock of this company.

The following amounts have been appropriated from surplus earnings for extraordinary expenditures:

1902.....	\$128,700	1909.....	\$40,901
1903.....	81,515	1910.....	92,670
1905.....	100,000	1911.....	35,984
1906 (from income)	51,700	1912.....	50,526
1907.....	65,222	1913.....	55,085
1908.....	52,390	1914.....	111,467

From the surplus for 1912, \$18,100, and from the surplus for 1911, 1910, 1909, 1908 and 1907, \$22,966 each was deducted account of principal of Car Trusts.

On January 1, 1915, the Pennsylvania R. R. owned \$888,000 and the Pennsylvania Co. owned \$3,487,000 of the \$5,000,000 Second Mortgage bonds. The First Mortgage 4½ bonds (\$4,455,000), are guaranteed, principal and interest, by the Pennsylvania R. R.

On December 31, 1914, Current Assets (including \$305,380 material on hand) were \$1,290,013 and Working and Accrued Liabilities were \$1,003,482.

Products of Forests contributed 29% and Products of Mines 32% of the tonnage handled in 1914.

### GREEN BAY & WESTERN R. R.

See Table, page 108.

Class A debentures are entitled to 2½%, if earned, then common stock to 2½%, then the two issues share ratably, but after 5% has been paid on both, Class B debentures are entitled to all surplus earnings. Payments have been made annually in February, as follows:

	'02-04	'05-07	'08	'09	'10	'11-12	'13	'14	'15	'16
Common Stock ..%	4	5	5	5	5	5	5	5	5	5
Debentures "A" ..%	4	5	5	5	5	5	5	5	5	5
Debentures "B" ..%	0	0	½	¾	¾	¾	1¼	¾	¾	¾

There are no fixed charges other than taxes and rentals, and no fixed charges can be made, or the property sold or leased, without consent of 75% of the stockholders.

From the surplus of 1914, \$28,000 was appropriated for improvements as against \$27,000 in 1913 and \$26,000 in 1912.

The credit to Profit and Loss Account, December 31, 1914, was \$160,662.

### HOCKING VALLEY RY.

See Table, page 109.

From July, 1907, to July, 1911, the common stock received dividends (payable January and July), at the rate of 4% per

annum. In December, 1911, a semi-annual dividend of 3% was paid. In June, 1912, 4% was paid and from September, 1912, to June, 1913, inclusively, quarterly dividends of 1 $\frac{3}{4}$ % each were paid. On June 28, 1913, an extra dividend of 4 $\frac{1}{2}$ % was paid, making a total of 11 $\frac{1}{2}$ % for the year. From September, 1913, to June, 1914, inclusive, quarterly dividends of 2% each were paid. In December, 1914, 3% was paid; in June, 1915, 1% was paid; in December, 1915, 2% was paid.

A large majority of the stock of this company (\$8,825,800, June 30, 1915) is owned by the Chesapeake & Ohio Ry. In 1910, all of the \$15,000,000 4% preferred stock was retired at par. About two-thirds of the funds required for this purpose was provided by the sale of securities which were in the treasury as free assets, such securities carrying the control of the Toledo & Ohio Central Ry. and the Kanawha & Michigan Ry. (see those companies). These securities were sold to the Lake Shore & Michigan Southern Ry. for \$10,197,875. One-half of the Kanawha & Michigan Ry. was transferred by the "Lake Shore" to the Chesapeake & Ohio Ry. and this latter stock was subsequently disposed of by the Chesapeake & Ohio Ry. by order of the Court.

Under date of November 1, 1915, \$4,000,000 5% two-year Notes were issued to retire \$4,000,000 6% Notes at maturity. The new issue of Notes is callable at 101 and interest.

In 1903, \$6,924,200 of the outstanding common stock of the Hocking Valley Ry. was acquired by five railroad companies, viz.: The Pittsburgh, Cincinnati, Chicago & St. Louis Ry. (two-sixths interest) and Baltimore & Ohio R. R., Chesapeake & Ohio Ry., Lake Shore & Michigan Southern Ry. and Erie R. R. (each one-sixth interest), at a cost of \$103 per share.

During 1909-10 all of the above stock and a small amount of additional stock was purchased by the Chesapeake & Ohio Ry., which company owned on June 30, 1915, \$8,825,800 Hocking Valley Ry. stock (see Chesapeake & Ohio Ry.).

#### GENERAL.

Including \$763,295 materials and supplies on hand and not including \$1,844,176 securities in treasury unpledged, the total Working Assets on June 30, 1915, were \$2,521,385, and Working Liabilities were \$2,831,350. The credit balance to Profit and Loss on June 30, 1915, was \$7,324,199.

Of the total freight tonnage handled during 1914-15 the products of Mines contributed 77% of the total tonnage carried; bituminous coal contributed 68% of the total tonnage.

As of June 30, 1915, main and second track contained:

22 miles of 100-pound rail,	85 miles of 80-pound rail,
202 miles of 90-pound rail,	67 miles of 67-pound rail,
16 miles of 63 & 60-lb. rail.	



## ILLINOIS CENTRAL R. R.

See Table, page 110.

Dividends at the rate of 7% per annum were paid from March, 1905, to March, 1913, inclusive. In September, 1913, the rate was reduced to a 5% basis by the payment of 2½%. Dividends are paid in March and September, the 122d dividend having been paid March, 1916.

From January 1, 1850, to January 1, 1916, about \$188,500,000 had been distributed by the Illinois Central R. R. in dividends.

The company had 10,963 stockholders as of June 30, 1915, as compared with 10,840 stockholders as of June 30, 1914.

## OWNERSHIP OF STOCK.

On June 30, 1915, the Union Pacific R. R. and the Railroad Securities Co. (practically all of the stock of which company is owned by the former company) together owned \$31,700,000 of the outstanding stock of the Illinois Central R. R. The Union Pacific R. R. owned of this amount \$22,500,000.

## YAZOO &amp; MISSISSIPPI VALLEY R. R.

Through a subsidiary the Mississippi Valley Co., the Illinois Central R. R. owns the outstanding stock of the Yazoo & Mississippi Valley R. R. The Illinois Central R. R. owns all of the \$9,104,000 Louisville, New Orleans & Texas Ry. 5% Cumulative Second Mortgage Income bonds, all the stock, all the First Mortgage 4% bonds, and a large majority of the other bonds of that road.

In 1914-15, 1913-14, 1912-13 and in 1910-11 \$1,429,400, \$1,658,710, \$627,157 and \$1,070,359, representing a portion of the arrears of interest due and unpaid on these income bonds, was paid to the Illinois Central R. R.; \$277,712 was paid in 1903; \$865,754 was paid in 1902, and \$1,016,279 was paid in 1901. As on June 30, 1915, the arrears of interest due and unpaid upon these income bonds amounted to approximately \$9,640,823. Interest was not paid from 1903 to 1910, inclusive, and in 1911-12, as the balance of earnings in these years was transferred to the Insurance Fund or to Profit and Loss. In July, 1913, the State of Mississippi brought suit to compel the Illinois Central R. R. to dispose of its holdings of securities of the Yazoo & Mississippi Valley R. R.

## CAPITAL STOCK SOLD.

Through the sale in 1901 and 1902 of its stock at par to stockholders, the Illinois Central R. R. received cash amounting to \$35,040,000 to be expended for betterments, equipment, second tracks, etc. On January 1, 1916, the greater part of the road between Chicago and New Orleans had double track.

In May, 1908, stockholders were permitted to subscribe for \$14,256,000 new stock at par (15% of holdings), the proceeds to be used to reduce the company's floating debt.

## GENERAL.

The following amounts have been appropriated from surplus earnings for betterments:

Year 1900-1.....	\$3,145,400	Year 1907-8.....	\$1,046,963
Year 1901-2.....	4,340,172	Year 1908-9.....	232,267
Year 1902-3.....	4,881,253	Year 1910-11.....	164,847
Year 1903-4.....	2,579,329	Year 1911-12.....	61,481
Year 1904-5.....	1,683,886	Years 1909-10 and 1912-13	none
Year 1905-6.....	4,164,739	Year 1913-14.....	41,643
Year 1906-7.....	3,987,934	Year 1914-15.....	46,020

The balance sheet as of June 30, 1915, showed Current Assets \$20,414,696. This total included \$5,348,242 material and supplies. Current Liabilities were \$15,304,048. There was a credit to Reserve for Insurance Fund of \$2,215,373. The credit balance to Profit and Loss amounted to \$4,814,263.

## BONDS.

In 1908, the company sold \$20,000,000 Refunding Mortgage 4% bonds due 1955. \$17,740,000 additional bonds under this mortgage were sold in later years, making the total amount outstanding on June 30, 1915, \$37,740,000. These bonds are part of an authorized issue of \$120,000,000, of which \$59,026,000 of the unissued bonds are reserved to retire prior lien bonds.

\$15,000,000 Two-Year 4½ Notes matured July 1, 1914. They were paid of with part of the proceeds of the sale of 5% bonds (see next paragraph).

In December, 1913, the stockholders authorized the making of the Illinois Central R. R. and Chicago, St. Louis & New Orleans R. R. Joint First and Refunding Mortgage for \$120,000,000 bonds to be secured on the System lines south of the Ohio River. \$10,000,000 of these bonds, bearing interest at 5% per annum and due 1963, were sold in December, 1913, and \$20,000,000 (5% due 1963) were sold early in 1915. \$3,348,100 additional bonds of this issue were in the treasury June 30, 1915.

In January, 1916, \$1,900,000 4½% Equipment bonds, due 1919 to 1926, were sold.

## OWNERSHIP OF CENTRAL OF GEORGIA RY.

During 1908-9, the entire capital stock of the Central of Georgia Ry. (\$5,000,000), acquired in 1907 by Mr. E. H. Harri-man, was turned over to the Illinois Central R. R. The cost of this stock to the Illinois Central R. R. was \$3,474,249. This acquisition gives the company direct control of 1,924 miles of main line and the ownership of the Central of Georgia Ry. carries control of the Wrightsville & Tennille R. R. and Wadley Southern R. R., together operating about 200 miles of road additional. It

also affords an outlet to the Atlantic Coast at Savannah, as well as direct entrance into the principal cities in the States of Alabama and Georgia.

In 1911-12, \$3,823,000, \$6,844,000 and \$3,794,000, respectively, of first, second and third preference income bonds of the Central of Georgia Ry. were purchased. Late in 1912 these income bonds were cancelled and \$15,000,000 preferred stock issued. On June 30, 1915, this preferred stock was held by the Illinois Central R. R. Dividends of 6% and 5% each were paid on the Central of Georgia Ry. preferred and common stock in 1912-13, 1913-14 and 1914-15.

### ILLINOIS SOUTHERN RY.

See Table, page 111.

This company operates a line of railway extending from Salem, Ill. to Bismarck, Mo. (124 miles) with branches Collins, Ill. to Chester, Ill. (11 miles) and Sparta to Illinois Fuel Co.'s Mine (3 miles).

The preferred stock is entitled to cumulative dividends of 6% per annum in priority to the common stock. No dividends are being paid on either class of stock nor is interest being paid on the \$1,380,000 Income Bonds due 1951.

The \$1,936,000 First Mortgage bonds outstanding mature June 1, 1951. The authorized issue is \$3,000,000. Holders of \$1,528,000 bonds cancelled the coupons due December 1913 and June and December 1914 while holders of \$206,000 bonds cancelled both 1914 coupons. \$82,000 additional bonds were in the Treasury June 30, 1915.

As of June 30, 1915, main track contained rail of the following weights:

2 miles of 90-pound rail,	84 miles of 70-pound rail,
1 mile of 85-pound rail,	31 miles of 60-pound rail,
19 miles of 75-pound rail,	2 miles of 56-pound rail,

The balance sheet as of June 30, 1915, showed Working Assets, \$181,923 and Working Liabilities, \$131,975.

### INDIANA HARBOR BELT R. R.

See Table, page 112.

The stock of this company is owned: 30% by the New York Central R. R., 30% by the Michigan Central R. R., 20% by the Chicago & Northwestern Ry. and 20% by the Chicago, Milwaukee & St. Paul Ry. No dividends are being paid.

The bonds of this company consist of \$2,500,000 Chicago, Hammond & Western R. R. First Mortgage 6% bonds due January 1, 1927 (assumed), and \$4,225,000 General Mortgage bonds due July

1, 1957 (\$25,000,000 authorized). Of the bonds issued under the General Mortgage, \$2,500,000 are reserved to take up the C. H. & W. R. R. First Mortgage 6% bonds at maturity. \$1,725,000 of the bonds at present outstanding bear interest at 4% and the balance (\$2,500,000) bear interest at 3% until July 1, 1917, and thereafter at the rate of 4% per annum.

The balance sheet of December 31, 1914, showed Current Assets, \$1,684,194, and Current Liabilities, \$1,406,064 (not including \$4,337,693 non-negotiable debt to other companies).

In 1911, the "Northwestern" and the "St. Paul" purchased from the "Lake Shore" and the Michigan Central R. R. an interest in the capital stock of this company to the amounts as stated first above.

### KANAWHA & MICHIGAN RY.

See Table, page 113.

Nearly all of the stock of this company was acquired in 1910, from the Toledo & Ohio Central Ry. jointly by the Chesapeake & Ohio Ry. and the Lake Shore & Michigan Southern Ry. (see those companies). The total amount of stock owned by those companies on March 1, 1914, was \$8,058,400. Under a decree of the Court handed down March 14, 1914, the ownership of the Kanawha & Michigan Ry. stock by the C. & O. and Lake Shore was held to be a violation of the Federal Anti-Trust Law. In accordance with the decree of the Court the Kanawha & Michigan Ry. stock was disposed of to the Toledo & Ohio Central Ry., the latter company issuing one-year Notes to provide for the cost of the transaction. Additional Kanawha & Michigan Ry. stock was acquired by the Toledo & Ohio Central Ry., that company owning as of December 31, 1914, \$8,947,800 of the stock, to acquire which \$8,719,012 of the Notes were issued.

An initial (annual) dividend of 4% was paid in June, 1911. In December, 1911, and in 1912, semi-annual dividends of 2½% each were paid. In 1913, 6% was paid; in 1914, 5% was paid; in 1915, 5% was paid (1¼% each, April 15, July 30, September 30 and December 27).

The following amounts have been appropriated from surplus during recent years for additions and improvements and for the retirement of Equipment Obligations, etc.:

1906-7.....	*\$348,869	1909-10.....	\$141,692
1907-8.....	116,893	1910-11.....	691,623
1908-9.....	118,468	1911-12 to 1914.....	none

\*From accumulated surplus.

In 1907, \$2,500,000 Second Mortgage 5% bonds, due July 1, 1927, were authorized. These bonds are subject to retirement at par and interest on any interest date on three months' prior

notice. The proceeds from the sale of these bonds were used to pay off Car Trust Obligations, floating debt, etc. The entire issue was outstanding on June 30, 1915. \$2,469,000 First Mortgage bonds of the Kanawha & Michigan Ry. are outstanding.

The entire main track of this company is laid with 90-pound rail.

Bituminous coal contributed 76% of the total freight tonnage hauled during 1913-14. About 61% of all freight handled originated on the line of this company in 1914-15 against 76% in 1909-10.

As of December 31, 1914, Current Assets amounted to \$835,506, and Current Liabilities amounted to \$731,627. There was a credit balance to Profit and Loss of \$2,310,224.

### LAKE ERIE & WESTERN R. R.

See Table, page 114.

The preferred stock is entitled to non-cumulative dividends of 6% per annum. After the common stock has received 6% both issues share pro rata.

The preferred stock received 4% per annum in 1901, 1902 and 1903 and 3% in 1904. In 1905, 4% was paid. The 1906 and 1907 dividends were 3% each; 2% in January and 1% in July. On January 15, 1908, 1% was paid, but in July, 1908, dividends were suspended and have not since been resumed.

On January 1, 1915, the New York Central R. R. owned \$5,930,000 preferred and \$5,940,000 common stock, a majority of each class.

The following amounts have been appropriated from surplus earnings for extraordinary expenditures:

1904.....	\$44,658	1909.....	\$56,964
1905.....	70,139	1910.....	136,764
1906.....	87,092	1912.....	209,442
1908.....	20,815	1913 and 1914.....	none

The balance sheet of December 31, 1914, showed Current Assets of \$1,330,813 (including \$508,497 materials and supplies). Current Liabilities were \$3,224,088. Included in the Current Liabilities was \$1,679,075 due to the "Lake Shore." There was a debit balance to Profit and Loss of \$465,076 on December 31, 1914.

### LAKE SHORE & MICHIGAN SOUTHERN RY.

See Table, page 115.

Dividends were on the stock of this company from 1899 to the date of its merger with the New York Central & H. R. R. as follows:

1899-03	'04-'06	'07	'08	'09	'10-'13	'14
7% yearly	8% yearly	12%	14%	12%	18%	12%

## CONTROL BY "NEW YORK CENTRAL."

On January 1, 1915, the "Lake Shore" and a number of smaller roads (including the Chicago, Indiana & Southern R. R.) were consolidated with the New York Central & Hudson River R. R. into the system known as the New York Central R. R.

The New York Central & Hudson River R. R. had for a number of years owned practically all of the Lake Shore stock, having acquired it through the issue, in exchange, of its 3½% bonds at the rate of \$200 in bonds for each \$100 in stock. In 1898-9, \$45,289,200 stock was thus exchanged, and this amount of stock was owned on December 31, 1914. In 1914, the New York State Realty Co., all of the stock of which was owned by New York Central, acquired \$3,200,000 par value Lake Shore stock at the price of \$500 per share and borrowed from the Lake Shore \$16,100,000 which it used in making the purchase and for which it gave its promissory notes. A small amount of additional Lake Shore stock was acquired by the New York Central, the latter exchanging five of its shares for one share of Lake Shore stock.

The capital stock remained unchanged from 1871, and to 1909 nothing had been charged to construction and equipment accounts since 1883, with the exception that in 1906 there was charged to cost of road and equipment account for additional new equipment the sum of \$7,500,000.

## FINANCES.

By the operation of the refunding plan since June 1, 1897, there had been retired to January 1, 1915, about \$44,000,000 of the various issues of old 7% bonds, and an annual interest saving of about \$1,300,000 had been effected thereby.

In 1903 \$50,000,000 4% bonds (due 1928) were authorized and sold prior to 1906, the proceeds having been used largely to reduce the temporary indebtedness incurred owing to large purchases of securities of other companies. These are debenture bonds. In 1906 there were sold \$35,000,000 of an authorized issue of \$50,000,000 new debenture bonds, due 1931. The remaining bonds of this issue were sold in 1910 and 1911.

In 1913, \$11,800,000 Cleveland Short Line R. R. 50-year First Mortgage 4½% bonds (\$20,000,000 authorized) were sold. These bonds were guaranteed principal and interest by the "Lake Shore" and are secured on a double tracked belt line located in Cleveland.

## BETTERMENTS, ETC.

From 1902 to 1909 inclusive extraordinary expenditures totalled \$12,725,779 for new equipment and \$23,417,256 for construction and betterments.

## SECURITIES OWNED.

As of December 31, 1914, the Lake Shore held stocks and bonds of a par value of \$158,454,250 valued on the books at \$113,159,526. Among these were the following stocks of other railroads (date of purchase in parenthesis):

New York, Chic. & St. L. R. R. (1882) ..	\$2,503,000	1st pfd. stock
New York, Chic. & St. L. R. R. (1882) ..	6,275,000	2d pfd. stock
New York, Chic. & St. L. R. R. (1882) ..	6,240,000	common stock
Lake Erie & Western R. R. (1899) .....	*5,930,000	prefer'd stock
Lake Erie & Western R. R. (1899) .....	*5,940,000	common stock
Cleve., Cin., Chic. & St. L. Ry. ....	†30,207,700	common stock
Chic., Indiana & Southern R. R. (1906) ..	5,000,000	prefer'd stock
Chic., Indiana & Southern R. R. ....	†14,998,200	common stock
L. E. Alliance & Wheeling R. R. (1903) ..	3,000,000	capital stock
Pitts. & Lake Erie R. R. ....	x14,994,250	common stock
Toledo & Ohio Central Ry. (1910) .. (a)	3,701,400	prefer'd stock
Toledo & Ohio Central Ry. (1910) .. (a)	5,846,300	common stock
Indiana Harbor Belt R. R. ....	2,994,550	capital stock
Reading Company (1903) .....	(b) 6,065,000	1st pfd. stock
Reading Company (1903) .....	(b) 14,265,000	2d pfd. stock
Reading Company (1903) .....	(b) 9,852,500	common stock

\*Acquired at a cost of \$5,847,017.

†Acquired \$7,528,700 in 1905; \$4,395,400 in 1906, and \$7,039,600 in 1907. Book value June 30, 1914, \$25,386,682.

‡Acquired \$12,000,000 in 1906; \$3,000,000 in 1912.

xControl held for many years. Additional stock was subscribed for at par in 1902, 1903, 1909, 1910, 1911 and 1912. Book value June 30, 1914, \$15,669,932.

(a) Acquired March, 1910, from Hocking Valley Ry. (cost of T. & O. C. Ry. stocks said to have been \$100 a share—book value of same June 30, 1914, \$7,120,675).

(b) An equal amount of Reading Co. first and second preferred and \$10,002,500 additional common stock is held by the Baltimore & Ohio R. R. Originally the "Lake Shore" and the latter company each owned \$3,950,000 additional Reading Co. common stock, but this amount was sold in 1904. The Reading Co. stock owned by the Lake Shore was carried at approximately the following book value on June 30, 1914; common stock 55½; first preferred stock, 89; second preferred stock 77. \$150,000 Reading Co. common stock was sold during 1914, and the profit therefrom (\$172,794) credited to Profit and Loss.

See Kanawha & Michigan Ry. regarding former direct ownership in and present indirect control of the stock of that company.

See the various companies mentioned above regarding dividend payments, etc.

As of June 30, 1914, the book value of the N Y., Chic. & St. L. R. R. stock owned was \$8,447,747.

## EQUIPMENT TRUSTS.

Jointly with the New York Central & Hudson River R. R., the Michigan Central R. R., the Cleveland, Cincinnati, Chicago & St. Louis Ry., and other New York Central lines, this company jointly and severally, guaranteed the principal and interest of \$30,000,000 New York Central Lines 5% Equipment Trust Certificates, of 1907; \$30,000,000 4½% Equipment Trust Certificates of 1910; \$15,000,000 4½% Equipment Trust Certificates of 1912, and \$22,438,000 4½% Equipment Trust Certificates of 1913. The "Lake Shore's" share of Car Trust Certificates assumed (representing 90% of cost of equipment) amounted to \$6,708,393, \$13,337,243, \$2,974,961 and \$2,367,807 respectively, of which \$3,577,809, \$9,780,645, \$2,578,300 and \$2,308,939 were outstanding December 31, 1914.

## CURRENT ASSETS AND LIABILITIES.

The balance sheet of the "Lake Shore," as of December 31, 1914, showed Current Assets (including \$5,041,359 materials and supplies), amounting to \$22,402,228, and Current Liabilities (including \$52,805,230 Loans and Bills Payable) were \$59,303,146. The credit balance to Profit and Loss as of December 31, 1914, was \$59,906,249.

See New York Central R. R.

## MANISTEE &amp; NORTH-EASTERN R. R.

See Table, page 116.

This company operates 243 miles of railway wholly located in the State of Michigan. The main line extends from Mainstee to Traverse City (71 miles); with branches to Provement, Onekama, Greyling and Empire Jc. The Provement branch is to be extended to Leland.

No dividends have been paid on the \$2,000,000 stock outstanding. The balance sheet of the company as of December 31, 1914, showed among Resources, \$1,474,234 Unextinguished Discount on Capital Stock.

The First Mortgage 5% bonds of this company mature \$40,000 annually in January, the final maturity date being 1938. A sinking fund of 50% of Net Income (beginning July 1, 1910), is used to call bonds by lot at 102½ and interest, until \$1,000,000 have been cancelled. The original issue of bonds was \$1,500,000 of which \$1,291,000 were outstanding December 31, 1914.

## MICHIGAN CENTRAL R. R.

See Table, page 117.

Regular dividends at the rate of 6% per annum were paid on the stock of this company from 1907 to 1913 inclusive; in 1914 the dividend rate was reduced to a 4% basis. In 1915, divi-



dends were paid as follows: 1% January; 2% July; 1% December. In January, 1916, 2% was paid. In 1908, in addition to the regular dividend of 6%, an extra dividend of 2% was paid. Prior to January, 1907, 4% per annum was paid in semi-annual installments.

#### CONTROL BY THE "NEW YORK CENTRAL," ETC.

The New York Central R. R. owned in January, 1915, \$16,819,300 of the stock of this road, having acquired it in 1898 in exchange for its 3½% bonds at the rate of \$115 in bonds for each \$100 in stock. A proposition has been made by the New York Central R. R. to purchase outstanding Michigan Central R. R. stock with a view to merging the two companies.

#### CANADA SOUTHERN RY.

The Michigan Central R. R. leases the Canada Southern Ry., guaranteeing to the latter dividends of 3% per annum on the \$15,000,000 stock. The lease will run for 999 years from 1903. On December 31, 1914, \$7,810,000 stock of the Canada Southern Ry. was owned by the Michigan Central R. R.

#### DETROIT RIVER TUNNEL CO.

In October, 1910, the Michigan Central R. R. completed a third-rail electric tunnel road under the Detroit River from Windsor, Ontario, to Detroit, 242 miles long, under the charter of the Detroit River Tunnel Co. (original cost \$9,000,000). The Detroit River Tunnel Co. bonds (authorized issue \$30,000,000), bearing interest at not above 5%, are guaranteed by the Michigan Central R. R. The Tunnel Co. is leased to the Michigan Central R. R. for 999 years from January 1, 1907. \$18,000,000 of the Tunnel Co. bonds, bearing interest at 4½% were outstanding February, 1916. The bonds mature May 1, 1961. The Tunnel Co. has expended considerable sums, beyond the cost of the tunnel, in the acquisition of terminal yards and buildings.

#### EQUIPMENT.

Jointly with other companies, the Michigan Central R. R. guarantees \$30,000,000 New York Central Lines 5% Equipment Certificates of 1907, \$30,000,000 4½% Equipment Bonds of 1910, \$15,000,000 4½% Equipment Certificates of 1912, and \$22,438,000 4½% Equipment Trust Certificates of 1913 (due 1916 to 1922, inclusive); See under New York Central R. R. The cost of the equipment leased under these agreements by the Michigan Central R. R. was about \$4,200,000, \$6,100,000, \$2,500,000 and \$3,000,000 respectively.

#### FINANCES.

The \$14,000,000 5% bonds of the Canada Southern Ry. (leased line), which matured January 1, 1908, were extended for five years at 6% interest. \$6,000,000 additional Canada Southern Ry. bonds (5%) matured March 1, 1913. To refund these bonds

and for other purposes, \$22,500,000 Canada Southern Ry. 50-year Consolidated Mortgage, 5% bonds (authorized \$40,000,000) were issued. These bonds are guaranteed as to principal and interest by the Michigan Central R. R.

The directors in April, 1909, authorized the issue of \$25,000,000 4% 20-year debenture bonds for the purpose of refunding \$10,000,000 5% Notes, maturing in 1910 and providing the company with new funds. \$7,634,000 of these debentures were sold in August, 1909, to provide for advances to the Detroit River Tunnel Co. They are to be secured by any new mortgage, but existing mortgages may be extended.

The company in March, 1915, sold \$3,000,000 one-year 4½% Notes, the proceeds being used on account of the retirement of \$6,000,000 one-year 4½% Notes.

On December 31, 1914, Current Assets were \$9,871,045 and Current Liabilities (including \$9,364,331 Loans and Bills payable) totalled \$13,863,114. There was a credit balance to Profit and Loss of \$12,364,195.

### NEW YORK, CHICAGO & ST. LOUIS R. R.

See Table, page 118.

The first and second preferred stocks are entitled to non-cumulative dividends of 5% per annum, and after 5% shall have been paid on the common stock, all classes of stock share alike in any further dividends. Dividends have been paid on the preferred stocks since 1901 as follows:

	1901	1902 to 1906	1907	1908 to 1913
1st preferred, %	5	5 yearly	5	5 yearly
2nd preferred, %	2	3 yearly	4	5 yearly

In March, 1910, 1911 and 1912, dividends of 3% each were paid on the common stock. In March, 1913, the dividend was increased to 4%. In March, 1914, the dividend on the common stock was passed, and in September, 1914, the semi-annual dividends on the two preferred issues were passed. In March, 1916, a dividend of 2½% was paid on the first preferred stock.

From 1882 until January, 1915, the date of the consolidation of the latter with the New York Central & Hudson River R. R., the Lake Shore & Michigan Southern Ry. owned \$2,503,000 first preferred, \$6,275,000 second preferred, and \$6,240,000 common stock of this road. This stock is now owned by the N. Y. Central R. R.

The balance sheet of December 31, 1914, showed Current Assets (including \$852,664 materials and supplies), \$3,575,169, and Current Liabilities, \$1,633,808.

In 1914 freight traffic contributed 84% of the total operating revenues.

In March, 1906, \$10,000,000 Debenture 4% bonds, due May 1, 1931, were authorized, the proceeds to be used for equipment, improvements, etc. These Debentures are all outstanding.

## OHIO &amp; LITTLE KANAWHA R. R.

See Table, page 119.

No dividends are being paid.

The Baltimore & Ohio R. R. owned as of June 30, 1915, a majority of each class of stock of this company, this stock being deposited under its Pittsburgh, Lake Erie & West Virginia mortgage.

The Ohio & Little Kanawha R. R. held in its treasury on June 30, 1915, \$82,500 of its preferred stock, \$82,000 common stock, and \$22,000 5% bonds. Current Assets were \$111,656 (this amount being due from Baltimore & Ohio R. R. General Account). Working and Accrued Liabilities totalled \$4,590. The credit balance to Profit and Loss was \$67,980.

## PEORIA &amp; EASTERN RY.

See Table, page 120.

Interest on the Income bonds is payable, when earned, on April 1 of each year, from earnings of preceding calendar year. Owing to the fact that the Peoria & Eastern Ry. used its surplus earnings toward the extinguishment of a debt to the Cleveland, Cincinnati, Chicago & St. Louis Ry., no interest was paid on these bonds prior to April 1, 1902. On that date 4% was paid, and the interest was paid regularly thereafter to and including the payment made in 1908. The interest was not paid in 1909. The full 4% on these bonds was paid in 1910 and 1911. In 1912 the interest was not paid, but 4% was paid on April 1, 1913. No interest was paid on April 1, 1914, 1915 and 1916.

The Cleveland, Cincinnati, Chicago & St. Louis Ry. owns a majority (\$5,000,100) of the stock of the Peoria & Eastern Ry. This stock was carried at a book value of \$66,428 on June 30, 1915.

The Peoria & Eastern Ry. owns \$125,000 stock (one-eighth) of the Peoria & Pekin Union Ry., also \$103,000 of that company's 5% debenture bonds.

## IMPROVEMENTS.

During recent years expenditures for new construction (addition betterments) and for new equipment (additions) have been made as follows: \$198,142 in 1905; \$268,790 in 1906; \$87,247 in 1907; \$90,349 in 1908; \$30,024 in 1909; \$81,040 in 1910; \$86,302 in 1911; \$36,646 in 1912; \$122,326 in 1913; \$20,044 in 1914 and \$51,516 in 1915. These expenditures are considered as having been deducted from the surplus earnings for the years mentioned.

As of December 31, 1915, the Peoria & Eastern Ry., it was stated, owed the "Big Four" \$384,555 for advances, etc., as compared with \$548,333 due December 31, 1914.

The "Big Four" guarantees the interest on Peoria & Eastern Ry. bonds, excepting the Income bonds.

The Peoria & Eastern Ry. has for several years expended unusually large sums annually for Hire of Equipment, Car Mileage and Per Diem Balances. In 1912, \$119,563 was so expended against \$164,498 in 1911, \$165,330 in 1910, \$80,198 in 1909 and \$122,207 in 1908. Equipment in Service December 31, 1914, 1912, 1911, 1910, 1909, 1908 and 1907, compares as follows:

	1914	1912	1911	1910	1909	1908	1907
Locomotives .....	72	79	77	77	80	86	81
Passenger Cars ....	48	47	49	50	50	51	51
Freight Cars .....	1,804	1,859	1,891	1,920	1,955	1,983	2,009
Service Cars .....	56	63	70	93	108	123	154

In 1914 a Protective Committee was formed in the interest of the holders of the \$4,000,000 income bonds. This Committee (John F. Wallace, Chairman; Frank D. Ketcham, 80 Broadway, Secretary; Depository, Empire Trust Co.), requested deposit of bonds with a view of taking action, owing to the failure to pay interest on the bonds out of the Net Income for the year 1913.

#### PERE MARQUETTE R. R.

See Table, page 121.

In December, 1905, a Receiver was appointed for this company, as well as for the Cincinnati, Hamilton & Dayton Ry. In December, 1907, reorganization was effected without foreclosure. The lease to the Cincinnati, Hamilton & Dayton Ry. made on March 1, 1905, following the purchase by that company of a large block of Pere Marquette R. R. stock, was cancelled, all claims between the two companies to be settled by arbitration. The Court awarded the Pere Marquette R. R. the net sum of \$1,364,387, in settlement of all claims against the C. H. & D. Ry. Early in 1911, the C. H. & D. Ry. sold its holdings in Pere Marquette R. R. stock (\$11,000,000 common) to J. P. Morgan & Co. The Profit and Loss Account of the C. H. & D. Ry. was debited \$11,220,000 loss on this transaction (loss equivalent to about \$102 per share of stock owned). (See a following paragraph regarding appointment of new Receivers, April 6, 1912.)

#### REORGANIZATION.

Under the plan of reorganization, the new company has the same total authorized stock as the old company, namely: \$12,000,000 preferred and \$16,000,000 common stock. The preferred stock consists of two classes; 4% first preferred stock (cumulative since January 1, 1911), with preference also to the assets, and 4% non-cumulative second preferred stock without preference as to assets. No dividends were paid.

The new company assumed the existing bonded debt, and issued \$5,000,000 6% 5-year debentures (due July 1, 1912), to pay off the Receiver's Certificates, the floating debt, etc. Payment of the principal and interest of these bonds was defaulted July 1, 1912. Hold-

ers of preferred stock of the old company were given the right to subscribe at par for these debentures, to the extent of 50% of their respective holdings. The holders of common stock of the old company were given the right to subscribe to the amount of 20% of their holdings. Holders of preferred and common stock of the old company, who subscribed for the new debentures, received \$115 in new first preferred stock and \$120 in new common stock, respectively, in exchange for \$100 of their former holdings; those who did not subscribe received par in new second preferred and par in common stock, respectively.

#### FINANCIAL.

Under date of March 1, 1911, an issue of \$60,000,000 50-year Improvement and Refunding General Mortgage 5% bonds was authorized. Bonds are reserved to take up underlying bonds (including Debentures due 1912) and Equipment obligations at maturity. \$16,000,000 of these bonds were issued immediately and were deposited as collateral for an issue of \$8,000,000 Collateral Gold 6% Notes, dated March 1, 1911, and due March 1, 1916. (See next paragraph.)

#### RECEIVERSHIP.

On April 6, 1912, Receivers were appointed for this company. Interest has since been defaulted on all excepting about \$8,000,000 of the \$77,513,016 of the outstanding bonds, Notes, Equipment Certificates, etc., this total including \$7,941,277 bonds, on which the principal has been defaulted. Committees have been formed to represent the holders of all outstanding securities, excepting only the Lake Erie & Detroit River 4½% bonds. In March, 1913, the \$16,000,000 Improvement and Refunding General Mortgage 5% bonds securing the 6% Notes were sold under foreclosure for \$6,395,236. The \$16,000,000 bonds and \$1,200,000 additional of the same issue, are now included in the Balance Sheet under Bonds Outstanding, together with \$2,125,884 Notes. These Notes remain outstanding as the \$6,395,236 received for the Collateral was insufficient by \$2,125,884 to pay off the Notes and the interest accrued thereon.

\$6,534,500 Receiver's Certificates and Receiver's Notes were outstanding June 30, 1915. No Plan of Reorganization had been announced to January, 1916. The property will be sold under foreclosure May 5, 1916.

#### GENERAL.

On June 30, 1915, Current Assets were \$4,049,554, and Current Liabilities (including \$8,698,741 bonded debt matured and unpaid) were \$20,229,954. The debit balance to Profit and Loss on that date was \$25,665,221.

On December 31, 1914, an appraiser appointed by the Michigan

Railroad Commission reported that the cost of reproduction of this property, new, was \$96,961,771, and said cost, less depreciation, was \$78,545,241.

For the six months ending December 31, 1915, Gross Operating Revenues were \$10,530,118, as compared with \$9,350,708 for a similar period during 1914; Surplus after Taxes, Rentals, etc., was \$516,135, as compared with a Deficit of \$415,080 for a similar period during 1914.

### PITTSBURGH, CINCINNATI, CHICAGO & ST. LOUIS RY.

See Table, page 122.

The preferred stock is entitled to non-cumulative dividends at the rate of 4%, with the right to receive after 3% has been paid on the common stock, an additional 1%, making 5% in all.

After the common stock has received 5% both classes of stock share pro rata. The common received 4% in 1909, but the dividend rate was raised to 5% in 1910. Dividends at the rate of 5% per annum were paid on both classes of stock from 1910 to 1913, inclusive, dividends in the latter year being charged to Profit and Loss. In 1914, 4% was paid on the preferred stock and ¾% on the common stock. In January, 1915, 2½% was paid on the preferred stock. No dividends other than the above were paid on either class of stock during 1915. In January, 1916, 4% was declared on the preferred stock and 2% on the common stock.

The following sums have been appropriated from surplus earnings in recent years:

	For Extraordinary Expenditures	For Sinking Funds
Year 1903.....	\$347,351	\$419,860
Year 1904.....	690,058	443,514
Year 1905.....	1,000,000	455,400
Year 1906.....	900,000	*1,046,123
Year 1907.....	875,233	*1,040,523
Year 1908.....	358,000	*1,094,723
Year 1909.....	1,600,000	*1,118,816
Year 1910.....	.....	†626,682
Year 1911.....	649,238	†645,866
Year 1912.....	1,400,000	*1,490,809
Year 1913.....	.....	†856,629
Year 1914.....	.....	†880,520

\*Includes annual payments (\$725,164 in 1912) on account of Principal of Car Trusts (in previous years included in Fixed Charges).

†This represents the annual payment account of Principal of Car Trusts; \$525,690 and \$548,430 appropriations to Sinking Funds in 1910 and 1911 were included in Fixed Charges.

‡Income applied to Sinking and other Reserve Funds.

## THE EARNING POWER

## CONTROL BY PENNSYLVANIA CO.—STOCK AND BONDS ISSUED.

On December 31, 1914, the Pennsylvania Company owned stock of the Pittsburgh, Cincinnati, Chicago & St. Louis Ry. as follows:

Preferred stock .....	\$24,886,850
Common stock .....	24,169,600

In December, 1903, the privilege was given to stockholders to subscribe at par, to the extent of 10% of their holdings, to \$4,750,000 preferred stock.

In 1907, \$3,853,800 common stock was issued in exchange for the \$644,800 outstanding stock of the Chartiers Ry. (thereof operated under lease), on the basis of \$300 of "Panhandle" stock for \$50 Chartiers Ry. stock. On December 31, 1906, the Pennsylvania Company owned \$333,850 of the stock of the Chartiers Ry.

In February, 1910, a stock allotment of 12½% was offered at par to stockholders. \$7,015,575 new common stock was sold, and the proceeds used for construction expenditures and the purchase of real estate and equipment. In 1911, \$1,498,000 common stock was issued to acquire a like amount of Cincinnati, Lebanon & Northern Ry. stock. \$4,000,000 Consolidated Mortgage 4% bonds (Series G) were issued to redeem \$1,967,000 maturing 7% bonds and for other corporate purposes. \$3,000,000 4% bonds (Series H) were sold in 1911, to provide for double-tracking, etc. \$7,000,000 4½% bonds (Series I) were sold in 1913, and \$3,494,000 4½% bonds (Series J) were sold in 1914. The Consolidated Mortgage is limited to \$75,000,000 bonds of which \$61,001,000 were outstanding in November, 1915, and approximately \$12,493,000 have been purchased for Sinking Fund. \$1,506,000 bonds are reserved to retire bonds. In 1914, \$2,437,600 preferred stock was sold at par to provide funds for additions and betterments.

## GENERAL.

Early in 1910, \$2,308,200 common stock of the Hocking Valley Ry. was sold by the "Panhandle" to the Chesapeake & Ohio Ry.

The "Panhandle" owned on December 31, 1913, the entire \$1,500,000 capital stock of the Cincinnati, Lebanon & Northern Ry. Co. and \$541,600 stock of the Vandalia R. R. In 1914, these stocks were sold to the Pennsylvania Co. On December 31, 1914, total stocks and bonds of a par value of \$1,231,950 were carried on the books at a valuation of \$740,540.

Products of Mines in 1914, contributed 56.4% of total freight tonnage handled.

On December 31, 1914, Current Assets were \$10,587,819 and Current Liabilities were \$5,547,435.

**TOLEDO & OHIO CENTRAL RY.**

See Table, page 123.

The preferred stock is entitled to non-cumulative dividends of 5% per annum. After the common stock has received 5%, the preferred is entitled to 2% additional. After 7% has been paid on both issues, they share alike in any further distribution of profits.

From 1896 to 1909 no dividends were paid on either class of stock. In 1909 10% was paid on the preferred stock and 2% was paid on the common stock (5% and 1% represented dividends on the preferred and common stocks for the previous year). In 1910, the common stock dividend was raised to 5%. Similar dividends were paid in 1911, 1912 and 1913 (annually March). No dividend on either class of stock was paid from the earnings of 1914.

In 1901 the Hocking Valley Ry. had acquired all except \$54,100 of the common and all except \$11,600 of the preferred stock of the Toledo & Ohio Central Ry., in exchange for 70% of Hocking Valley Ry. stock of the same class.

The Court in July, 1909, ordered the separation of this property from the Hocking Valley Ry., and following this order the Hocking Valley Ry. in March, 1910, disposed of its holdings in Toledo & Ohio Central Ry. stock to the Lake Shore & Michigan Southern Ry.

The "New York Central" owned in January, 1915, practically the entire outstanding capital stock of the Toledo & Ohio Central Ry., viz.: \$5,846,300 common stock and \$3,701,400 preferred stock, also \$192,000 St. Mary's Division Income bonds.

In 1890 this company acquired a majority of the capital stock of the Kanawha & Michigan Ry., guaranteeing the first mortgage bonds of that company. This stock was sold in March, 1910, jointly to the Lake Shore & Michigan Southern Ry. and the Chesapeake & Ohio Ry. In 1914 control of the Kanawha & Michigan Ry. was again acquired, the Toledo & Ohio Central Ry. purchasing \$8,947,900 of the \$9,000,000 Kanawha & Michigan Ry. stock, issuing \$8,712,012 one-year Notes to pay for same.

The Toledo & Ohio Central Ry. guarantees the principal and interest of Kanawha & Michigan Ry. First Mortgage bonds (\$2,469,000), and jointly with the Hocking Valley Ry., the Kanawha & Hocking Coal & Coke Co. bonds (\$3,250,000), and Continental Coal Co. bonds (\$3,023,000).

The balance sheet as of December 31, 1914, showed Current Assets, \$2,962,570, and Current Liabilities (including \$10,219,012 Loans and Bills Payable), \$12,544,587. There was a credit balance to Profit and Loss of \$4,356,465.

Of the total freight tonnage handled a large proportion consists of bituminous coal.

The Toledo & Ohio Central Ry. owns all of the stock (\$2,500,000) and bonds of the Zanesville & Western Ry. (90 miles) operated



separately. This road for the year ending December 31, 1914, reported a deficit of \$254,499, which amount was included in the Fixed Charges (1912) of the Toledo & Ohio Central Ry.

Jointly with five other lines in the New York Central System, this company guarantees an issue of \$22,438,000 4½% New York Central Lines Equipment Certificates, due January, 1916, to January, 1928, inclusive. This company's share of the Equipment Obligations assumed amounted to \$3,057,774 (\$2,986,522 outstanding December 31, 1914).

### TOLEDO, PEORIA & WESTERN RY.

See Table, page 124.

The Toledo, Peoria & Western Ry. is owned and managed by the Pennsylvania Co. and the Chicago, Burlington & Quincy R. R. On December 31, 1914, the Pennsylvania Co. owned \$2,011,200 of the stock, also \$1,248,000 of the \$4,895,000 First Mortgage 4% bonds, due July 1, 1917. The C., B. & Q. R. R. on June 30, 1914, owned \$2,011,200 of the stock and likewise \$1,248,000 of the bonds.

As of June 30, 1915, Current Assets were \$239,663 and Current Liabilities (including \$818,000 Bills Payable) were \$1,622,504. The balance to the debit of Profit and Loss was, June 30, 1915, \$778,127.

The bonds of this company mature July 1, 1917.

Products of Mines contributed 43.1% of the freight tonnage handled during 1913-14.

### TOLEDO, ST. LOUIS & WESTERN R. R.

See Table, page 125.

On October 22, 1914, President W. L. Ross was appointed Receiver for this company, default having been made on the \$11,527,000 Chicago & Alton R. R. Collateral Trust bonds (see a following paragraph).

The preferred stock is entitled to non-cumulative dividends of 4% per annum before any dividend can be paid on the common stock. After 4% has been paid on the preferred all further dividends for that year shall go to the common stock.

In April, 1907, an initial dividend at the rate of 4% was paid on the preferred stock. Regular payments of 4% per annum were continued until January, 1912, when the dividend was passed. Dividend payments for 1910-11 exceeded surplus earnings by \$325,307, and the deficit for 1911-12, after payment of 2% on the preferred stock, was \$254,980.

The Detroit & Toledo Shore Line R. R. 4% bonds (present issue \$2,918,000) are guaranteed principal and interest jointly by the Toledo, St. Louis & Western R. R. and the Grand Trunk Western Ry., each company owning \$714,000 (one-half) of the capital stock. \$416,000 of the bonds were in the treasury of the Toledo, St. Louis & Western R. R. on June 30, 1915. The Detroit & Toledo Shore Line R. R. has paid dividends as follows: 1907-8, 4%; 1908-9, 6%; 1909-10 and 1910-11, 8% each; 1911-12, 16%; 1912-13, 8%; 1913-14, 8% and \$630,000 Detroit & Toledo Shore Line 4% bonds; 1914-15, 14% and \$82,000 bonds. The Toledo, St. Louis & Western R. R. received in dividends from this source in 1910-11, 1911-12 and 1912-13 the sums of \$57,120, \$114,240 and \$57,120 respectively.

#### CONTROL OF CHICAGO & ALTON R. R.

In 1907 this company purchased from the Chicago, Rock Island & Pacific Ry. the latter company's holdings (being a majority interest) of the stock of the Chicago & Alton R. R., viz.: \$6,380,000 preferred and \$14,420,000 common stock. \$100,000 additional preferred stock was purchased in 1908-9, making total owned \$6,480,000 preferred and \$14,420,000 common stock. In exchange for this stock the "Clover Leaf" issued two series of collateral bonds as follows, viz.: Series A (\$6,480,000 outstanding), which were exchanged dollar for dollar for Chicago & Alton R. R. preferred stock and Series B (\$5,047,000 outstanding) which were exchanged for Chicago & Alton R. R. common stock on a basis of \$35 in bonds for each \$100 in common stock. Both series of bonds now are entitled to interest at the rate of 4% per annum; Series B bonds bore interest at the rate of 2% per annum prior to July 31, 1912. These two series of collateral bonds are limited to a total issue of \$12,000,000, are secured respectively by the deposit of the preferred and common stock of the Chicago & Alton R. R., and mature August 1, 1917. The August 1914 coupon and subsequent coupons have not been paid.

The "Clover Leaf" received in 1908-9 dividends on the Chicago & Alton R. R. stocks (4% on preferred and 4% on common) amounting to \$836,000. In 1909-10, the amount thus received by the "Clover Leaf" was \$547,600, being 4% and 2% respectively on the preferred and common stock. In August, 1910, the dividend was passed on the common stock of the "Alton." In July, 1911, the dividend on that company's preferred stock was passed. The "Clover Leaf" received in 1910-11, \$129,600 from dividends on this stock. The interest charges on the collateral bonds amounted to \$360,140 per annum, until July 31, 1912, since which date they have been increased to \$461,080 per annum. See Chicago & Alton R. R.

A comparison follows showing the amount of equipment in service June 30, 1915, and that in service June 30, 1901:

	1915	1901	Increase
Locomotives .....	92	81	11
Passenger Train Cars .....	39	34	5
Freight Cars .....	3,215	3,141	74
Service Equipment .....	61	58	3

As of June 30, 1915, main track contained:

58 miles of 80-pound rail,	157 miles of 70-pound rail,
235 miles of 75-pound rail,	1 mile of 61½-pound rail.

The balance sheet as of June 30, 1915, showed Current Assets \$1,400,758 and Current Liabilities \$2,402,541. The credit balance to Profit and Loss on that date amounted to \$2,213,628.

In June, 1915, application was denied the company to issue \$600,000 Receivers' Certificates to have priority over mortgage bonds.

### VANDALIA R. R.

See Table, page 126.

The first dividend (2%) was paid in August, 1905; thereafter dividends at the rate of 4% were paid to February, 1907, when the rate was raised to 5%. The rate of 5% was maintained to and including the payment made in February, 1911. In May, 1911, the dividend was reduced to 4% per annum. The November, 1911, dividend was deferred until December 28, when a dividend of ¾% was paid, making 4% paid during the calendar year 1911. Dividends were, prior to the dividend paid in 1911, paid quarterly, beginning February. 4% was also paid in December, 1912, and in December, 1913. No dividends were paid during 1914 and 1915. In January, 1916, 2% was paid.

The Vandalia R. R. assumed the lease of the Terre Haute & Peoria R. R. to the Terre Haute & Indianapolis R. R., St. Louis, Vandalia & Terre Haute R. R., Terre Haute & Logansport Ry., Logansport & Toledo Ry., and Indianapolis & Vincennes R. R.

The Vandalia R. R. assumed the lease of the Terre Haute & Peoria R. R. to the Terre Haute & Indianapolis R. R. and the \$1,899,000 5% bonds of that road are guaranteed, principal and interest. The Income Account given on the statistical page includes the operation of the Terre Haute & Peoria R. R. which operated in 1914, 166 miles, and earned gross, \$776,402, and net \$17,446. The rental under the lease (30% of Operating Revenues) was for 1914, \$242,804, which sum was included in the Fixed Charges in the Income Account given on the statistical page. The net loss to the lessee from the operation of this line in 1914, was \$271,150 against \$252,577 in 1913. The lessee and the Pennsylvania Co. own a large majority of the stock of the Terre Haute & Peoria R. R.

As of December 31, 1914, the Pennsylvania Co. owned \$12,175,000 capital stock of the Vandalia R. R.

From surplus earnings of recent years there has been deducted the following sums for Additions and Betterments:

1905.....	\$325,000	1909.....	\$150,000
1906.....	400,000	1912.....	274,032
1907.....	80,542		

No similar appropriations were made in 1908, 1910, 1911, 1913 and 1914.

On December 31, 1914, there were outstanding \$17,184,000 Consolidated Mortgage 4% bonds. Consolidated Mortgage bonds are authorized to the amount of \$25,000,000, of which \$18,000,000 have been issued. Of the issued bonds \$816,000 have been retired by Sinking Funds.

On December 31, 1914, Current Assets (including \$952,086 materials and supplies) were \$3,090,522, and Current Liabilities were \$1,404,784.

**WABASH R. R.**

See Table, page 127.

See following paragraphs regarding the appointment of Receivers in December, 1911, and regarding Reorganization of Company late in 1915, as the Wabash Ry.

The preferred stock of the Wabash R. R. was entitled to non-cumulative dividends of 7% per annum. No dividends were ever paid.

**PURCHASE OF DEBENTURE BONDS.**

In October, 1906, the stockholders and Income Debenture A and B bondholders approved a financial plan which provided for the acquisition and ultimate retirement of the \$30,000,000 Debenture bonds. A new issue of 4% 50-year First Refunding and Extension Mortgage bonds (authorized issue \$200,000,000), was created, and secured on all the property owned at that date and subsequently acquired from all the proceeds thereof. Of the new bonds \$21,862,500 were reserved for the retirement of the Debenture bonds, and the balance of the authorized issue was reserved to refund bonds, etc., and for general purposes. On June 30, 1915, there were outstanding \$41,921,240 bonds of this issue, including \$1,321,000 bonds in treasury.

Under the terms of the plan for retirement of the Debenture bonds the Wabash R. R. offered, in exchange for each bond, securities as follows:

	New Bonds	Preferred Stock	Common Stock
For each \$1,000 Series A.....	\$795	\$580	\$580
For each \$1,000 Series B.....	720	520	520

The above described plan became operative, and all of the Debenture A bonds and all excepting \$1,256,000 of the Debenture B bonds were exchanged.

## RECEIVERSHIP.

Interest having been defaulted January 1, 1912, on the First Refunding and Extension 4% bonds, Receivers were appointed for the company. Committees were formed to protect the Refunding and Extension bondholders and these committees arranged to purchase the January, 1912, coupons. The Wabash R. R. had at the time of Receivership a floating debt of \$1,800,000. Committees were also formed to protect the holders of common and preferred stock and the unexchanged Debentures.

As of June 30, 1915, \$15,950,000 6% Receivers' Certificates due August 1, 1915, were outstanding. These Receivers' Certificates and \$1,545,000 Equipment Notes have been provided for in the Reorganization Plan.

## APPROPRIATIONS FOR BETTERMENTS.

From the surplus earnings as shown on the statistical page, the following sums were deducted, representing expenditures for additions and improvements and expenditures and appropriations for new equipment:

Year 1901-2.....	\$583,500	Year 1908-9.....	\$125,603
Year 1902-3.....	653,132	Year 1909-10.....	61,044
Year 1903-4.....	915,107	Year 1910-11.....	192,809
Year 1904-5.....	1,167,869	Year 1911-12.....	268,458
Year 1905-6.....	1,758,627	Year 1912-13.....	480,652
Year 1906-7.....	2,006,076	Year 1913-14.....	903,931
Year 1907-8.....	238,843	Year 1914-15.....	783,043

The annual report for 1914-15 directs attention to the fact that \$602,188 was included in operating expenses in that year for extraordinary repairs and renewals against \$561,792 similarly included in operating expenses in 1913-14, \$677,309 in 1912-13, \$469,747 in 1911-12, \$278,958 in 1910-11, \$384,558 in 1909-10, \$193,530 in 1908-9, \$266,044 in 1907-8, \$1,227,691 in 1906-7, \$1,785,450 in 1905-6, \$2,169,277 in 1904-5 and \$2,097,437 in 1903-4.

## WABASH-PITTSBURGH TERMINAL RY.

In 1903-4 the Wabash R. R. acquired all the stock of the Wabash-Pittsburgh Terminal Ry. (\$10,000,000) by the issuance of \$10,000,000 Wabash R. R. common stock in exchange therefor; also \$6,600,000 First Mortgage bonds of that company.

In 1908 Receivers were appointed for the Wabash-Pittsburgh Terminal Ry. and for the Wheeling & Lake Erie R. R. (See Wabash-Pittsburgh Terminal Ry. and see Wheeling & Lake Erie R. R.)

The balance sheet of the Wabash R. R. as of June 30, 1913, showed among its assets "Wheeling & Lake Erie R. R. Three-year Notes and interest thereon" (\$8,000,000 guaranteed Notes matured August 1, 1908, not paid off), \$11,150,411; and among its liabilities,

"Obligations to Bankers, account W. & L. E. R. R. Note Matter," \$9,807,958. This obligation was in the form of a loan which fell due August 1, 1912, was extended to August 1, 1913, and was then defaulted, the collateral therefor having been bid in at auction on August 6, 1913, by Kuhn, Loeb & Co. and Blair & Co., as managers of the syndicate which made this loan. The collateral consisted of \$3,500,000 Wabash R. R. First Refunding and Extension 4s and the \$8,000,000 Wheeling & Lake Erie R. R. Notes (secured by \$12,000,000 General Mortgage 4s of that company), with upwards of \$2,700,000 representing past due coupons and claims for back interest.

#### GENERAL.

The Wabash R. R. enters Chicago over the Chicago & Western Indiana R. R., of whose stock one-fifth, or \$1,000,000, is owned. This company has paid regular dividends at the rate of 6% per annum since 1896. The Wabash R. R. enters Buffalo over the Grand Trunk Ry. and Erie R. R. under a joint trackage agreement made in March, 1898. The Wabash R. R. paid in 1914-15 to the Grand Trunk Ry. as rental \$359,255 (\$360,625, 1913-14), and likewise paid to the Erie R. R. \$61,369.

On June 30, 1915, the Missouri Pacific Ry. and the St. Louis, Iron Mountain & Southern Ry. owned \$9,826,200 preferred stock (as against \$11,326,200 on June 30, 1909), \$2,826,200 common stock and \$2,913,200 First and Refunding bonds of the Wabash R. R. (against \$3,963,200 owned on June 30, 1908). These companies paid the assessment on their bond holdings, but did not pay same on stock.

There were outstanding on June 30, 1915, \$5,000,000 4¼% Notes, due May, 1913 (in default). The original issue was \$6,049,000. These Notes were secured by \$5,000,000 Wabash R. R. First and Refunding 4% bonds, \$5,000,000 Notes of Wabash-Pittsburgh Terminal R. R. and by other collateral.

#### REORGANIZATION PLAN.

A Plan of Reorganization for the Wabash R. R. was prepared under date of April 28, 1915, by the Joint Reorganization Committee. The plan was approved by Kuhn, Loeb & Co., which firm agreed to act as Reorganization Managers, and a syndicate headed by this banking house was formed to underwrite the Plan, the main features of which were as follows:

A new company was to be formed to be known as the Wabash Ry.

The nominal capitalization of the new company is \$205,118,000, compared with the capitalization of the former Wabash R. R. of \$222,319,377, a scaling down of \$17,201,377.

The assessment on the \$39,200,000 preferred stock and on the \$53,200,000 common stock was \$30 a share. Thus \$27,720,000 in cash was to be raised.

Holders of the First Refunding & Extensions Mortgage bonds of the Wabash, of which \$40,600,000 were outstanding, were to supply any part of the \$27,720,000 assessment which was not raised by the holders of the preferred and common stock. If the holders of the bonds failed to comply with this provision they were to receive only their pro rata share of any proceeds which were left after the settlement of all obligations and liabilities of the Wabash R. R. entitled to prior payment.

Any unpaid part of the \$27,720,000 was to be provided by the syndicate which underwrote the plan of reorganization.

The principal item to be paid from the new capital consisted of \$16,428,500 of Receivers' Certificates, due August 1, 1915. The expenses of reorganization and foreclosure, including the compensation for the syndicate headed by Kuhn, Loeb & Co., and also including court costs, counsel fees, and the costs of the recent engineers' investigations of the Wabash property, were estimated at \$3,449,500. After meeting other immediate requirements it was estimated that there would be a working capital for the new company of \$3,500,000.

The new securities, as announced, consisted of:

(1.) New 5% non-cumulative profit-sharing preferred stock A to the amount of \$46,200,000, redeemable after five years, at the option of the new company, at 110.

(2.) New 5% convertible, non-cumulative preferred stock B to the amount of \$48,720,000, redeemable after five years, at the option of the company, at 110. This stock is convertible after August 1, 1918, into profit-sharing preferred stock A and common stock of the new company at the rate of \$50, par value, of profit-sharing preferred stock A, and \$50, par value, of common stock for each \$100, par value, of the convertible preferred stock.

(3.) Common stock to the amount of \$43,540,000.

(4.) 4% Gold Notes to the amount of \$1,500,000 to take up the present \$5,000,000 extended 4½% Gold Notes which were due May 1, 1913 (the Noteholders likewise received the \$5,000,000 First and Refunding bonds deposited as part collateral and paid the assessment thereon).

The amount of undisturbed obligations, that is, those obligations for which no exchange was contemplated, is \$65,118,000, which, added to the \$139,960,000 brought the total new capitalization to \$205,118,000.

The fixed annual interest charges on the new securities, as proposed, will amount to only \$3,183,915, compared with \$5,795,278 under the former Wabash Company.

The two kinds of preferred stock and the common stock were divided as follows:

(1.) The holders of \$53,200,000 common stock, on payment of the \$30 a share assessment, received \$26,600,000, or 50% of the

amount of their holdings in the profit-sharing preferred Stock A and \$23,940,000, or 45% of the amount of their holdings in the new common stock.

(2.) Holders of the \$39,200,000 preferred stock, upon payment of the \$30 assessment, received \$19,600,000, or 50% of their holdings in profit-sharing preferred Stock A and the same amount of the new common stock.

(3.) All of the \$48,720,000 convertible preferred Stock B went to the holders of the \$40,600,000 first refunding and extensions mortgage bonds—that is, at the rate of 120% of their holdings. The interest coupon on these bonds of January 1, 1912, was paid in cash to the assenting holders.

Inasmuch as only a small number of preferred and common stockholders paid their assessment, the holder of each \$1,000 First Refunding and Extension bond was called on to pay \$654.82, receiving therefor \$1,091.38 in preferred "A" stock, \$1,200 in preferred "B" stock, \$1,027.59 in common stock and \$20 for January, 1912, coupons where not previously advanced by the Committee.

### WABASH-PITTSBURGH TERMINAL RY.

See Table, page 128.

This company operates a line of railway extending from Jewett, Ohio, on the Wheeling & Lake Erie R. R. easterly to Pittsburgh, Pa., where extensive and valuable terminals are owned. The railway was opened for traffic in July, 1904. The company, the entire \$10,000,000 stock of which was acquired by the Wabash R. R. assumed control of the Wheeling & Lake Erie R. R.

In 1901, a syndicate identified with the Wabash R. R. acquired control of the Wheeling & Lake Erie R. R. through purchase of stock. The stock of that company owned consisted of \$847,500 first preferred, \$6,423,800 second preferred and \$11,800,000 common.

The Wabash-Pittsburgh Terminal Ry., in addition to its control of the Wheeling & Lake Erie R. R., owns all of the stock (\$14,000,000) of the Pittsburgh Terminal R. R. & Coal Co. carried at a book value of \$3,159,740. This company owns 11,000 acres of coal lands along the line of the West Side Belt R. R. (23 miles), which it controls and 4,000 acres of coal lands along the line of the Wabash-Pittsburgh Terminal Ry. The coal lands are estimated to contain over 90,000,000 tons of coal. The West Side Belt R. R. is in Receivers' hands.

#### RECEIVERSHIP.

On May 29, 1908, Receivers were appointed for the Wabash-Pittsburgh Terminal Ry. On June 30, 1915, Receivers' Certificates were outstanding to the amount of about \$2,395,880. No interest has been paid since December 31, 1907, on the \$30,236,000



First Mortgage 4% bonds. The Wabash-Pittsburgh Terminal Ry. has outstanding, in addition to the First Mortgage bonds, \$20,000,000 Second Mortgage 4% bonds, due June 1, 1954. These bonds (income bonds to June 1, 1910), are likewise in default.

#### REORGANIZATION PLANS.

A Plan of Reorganization was submitted in 1910, providing for the consolidation of the Wabash-Pittsburgh Ry. and the Wheeling & Lake Erie R. R., into one company. This Plan was abandoned.

On June 25, 1915, a Plan was proposed by a Joint Reorganization Committee formed to represent the bondholders. Two independent Committees opposed this Plan, one headed by Daniel B. Ely of New York, and the other headed by Charles Fearon, of Philadelphia. The Plan calls for an assessment of \$300 per \$1,000 First Mortgage bond, for which the bondholder will receive \$300 in 6% preferred stock, cumulative after January 1, 1921, and \$1,000 in new common stock. The bondholders will also receive if he pays the above assessment, \$28, \$210 and \$390 respectively in Wheeling & Lake Erie R. R. first and second preferred and common stock.

Such stocks as will not be taken up by First Mortgage bondholders (namely—those who fail to pay the assessment), will be allotted to Second Mortgage bondholders under like terms and conditions (namely—payment of \$300 per bond).

The assessments payable under the Plan will provide the new company to be formed with the sum of \$9,070,800, which will be used (1) to discharge \$3,110,166 Receivers' Certificates of the Wabash-Pittsburgh Ry., and the West Side Belt R. R.; (2) to acquire properties, including stocks and bonds of the Pittsburgh Terminal R. R., and discharge of judgments, etc., \$4,293,197; (3) for Reorganization Expenses, working capital, etc., \$1,667,487.

The above plan has been underwritten by New York bankers.

#### MISCELLANEOUS.

As of June 30, 1915, the Receiver's general balance sheet showed Current Assets, \$223,359, and Current Liabilities, \$544,613. On the same date the company's balance sheet showed Current Assets, \$462,026, and Current Liabilities, \$7,596,255.

Products of mines contributed 85% of freight traffic handled during 1914-15, as against 84% in 1913-14.

The Pittsburgh Terminal R. R. & Coal Co. (entire \$14,000,000 stock, also \$3,500,000 of \$10,412,000 bonds owned by Wabash-Pittsburgh Terminal Ry.), earned in 1914-15: Gross, \$2,006,921; Expenses (including \$196,100 bond interest), \$2,032,848; Net Loss \$25,918. Earnings for 1913-14 were \$3,327,549 and there was a profit from operations of \$141,463.

The West Side Belt R. R. (\$1,065,000 of \$1,080,000 stock owned by Pittsburgh Terminal R. R. & Coal Co.), reported for the year ending June 30, 1915: Gross, \$392,695 (1913-14, \$565,339); Net, \$153,282 (1913-14, \$221,968); Deficit \$15,318 (1913-14, Surplus, \$84,033).

### WHEELING & LAKE ERIE R. R.

See Table, page 129.

In June, 1908, a Receiver was appointed for this company.

The \$8,000,000 5% Notes which matured on August 1, 1908 (guaranteed principal and interest by the Wabash R. R.) were not paid off and were purchased by a syndicate. In October, 1908, foreclosure was begun under the General Mortgage. \$12,000,000 General Mortgage 4% bonds (due 1955) were deposited as collateral for these Notes.

The sinking fund payments due January 1, 1915, and January 1, 1916, and, likewise, the coupons due July 1, 1915, and January 1, 1916, on the \$1,298,000 Equipment 5% bonds of 1922 have been defaulted. A committee has been formed to protect the bondholders.

To March 1, 1916, no Plan of Reorganization had been announced.

A plan was submitted in January, 1910, but inasmuch as serious legal obstacles were found to exist, the plan was entirely abandoned. That plan is here outlined:

#### REORGANIZATION PLAN (ABANDONED).

The Plan of Reorganization of the Wheeling & Lake Erie R. R. and the Wabash-Pittsburgh Terminal Ry. provided for their consolidation as one company which was to have an authorized issue of (1) \$60,000,000 4% bonds, which would be a first mortgage on the Wabash-Pittsburgh Terminal Ry. properties and a lien on the Wheeling & Lake Erie R. R. properties, subject to existing bond issues; and an authorized issue of (2) \$40,000,000 preferred and (3) \$50,000,000 common stock. Of the new bonds \$15,000,000 were to be underwritten at 80 by a syndicate headed by Kuhn, Loeb & Co. and Blair & Co., which was to take in addition \$1,500,000 new preferred and \$3,750,000 new common stock, paying a total of \$13,300,000 cash for bonds and stock.

Holder of all three classes of Wheeling & Lake Erie R. R. stock were to be called upon to pay 25% in cash and receive in exchange 25% in new preferred stock. In addition the first preferred stock was to receive 70% in new common; second preferred, 65% in new common; and the common stock, 60% in new common. The Wheeling & Lake Erie R. R. Notes were to be paid off at par and interest.

Wabash-Pittsburgh Terminal Ry. First Mortgage bondholders, it was stated, would receive 70% in new preferred and 30% in new

common stock, with the right in addition to subscribe at par to 16% in new preferred stock, which would carry with it a bonus of 40% in new common. Wabash-Pittsburgh Terminal Ry. Second Mortgage bondholders were to pay 25% cash and receive 25% in new preferred and 60% in new common stock.

#### HISTORY.

The Wheeling & Lake Erie R. R. first preferred stock and second preferred stock are entitled to non-cumulative dividends at 4% per annum in order of priority as mentioned. No dividends have ever been paid. A controlling interest consisting of \$847,500 first preferred, \$6,423,800 second preferred and \$11,870,000 common is now owned by the Wabash-Pittsburgh Terminal Ry. The above Wheeling & Lake Erie R. R. stock will be distributed to Wabash-Pittsburgh Terminal Ry. bondholders under Reorganization (see Wabash-Pittsburgh Terminal Ry.).

#### CONDITION OF PROPERTY.

In the annual reports during recent years the Receiver has repeatedly outlined necessary improvements which must be made with as little delay as possible. These improvements will include the purchase of a large amount of new equipment. The locomotives in service are for the most part old and obsolete. Of the 208 locomotives in service on June 30, 1915, 67 were from 20 years to 32 years old; 22 were from 15 to 19 years old and 99 were from 10 to 14 years old. Only 20 locomotives were in service less than 10 years. The company owned (June 30, 1915), 9,628 cars in its freight service; of these only about 6,932 were in use.

#### RECEIVERS' CERTIFICATES—FINANCES.

To June 30, 1915, 6% Certificates to the amount of \$5,677,850 had been issued by the Receiver, all of which were outstanding. To June 30, 1915, \$5,652,969 had been expended from the proceeds of the sale of these Certificates, leaving an unexpended balance of \$24,881. The stated \$5,652,969 was expended as follows:

Additions and Betterments .....	\$1,496,863
Rehabilitation of Road and Equipment .....	1,535,706
Interest on Bonds, Bankers' Commissions, etc. ....	1,005,700
Expended on Sugar Creek & Northern R. R. ....	1,614,700

Total .....

\$5,652,969

On June 30, 1915, cash on hand, largely derived from sale of Receiver's Certificates, was \$706,315.

On June 30, 1915, the Receiver's balance sheet and the company's balance sheet showed Current Assets of \$1,731,048 and \$118,948 respectively, the Current Liabilities of \$1,088,831 and \$1,508,364 respectively.

## GENERAL.

In 1907, the Wheeling & Lake Erie R. R. acquired the Sugar Creek & Northern R. R., which had under construction 22 miles of road (completed in 1908-9), from Bolivar northwest to Orrville. The cost of this important cut-off was to June 30, 1915, \$2,788,830, of which amount the Receiver expended \$1,614,700.

In 1914-15, Products of Mines (largely bituminous coal) contributed 54.4% of total freight tonnage, against 69.8% in 1913-14. Manufactures increased from about 1,434,000 tons in 1907-8 (18.4% of total) to about 2,700,000 tons in 1914-15 (32.5% of total).

**ATLANTA & WEST POINT R. R.**

See Table, page 130.

The stock receives 6% per annum, payable January and July. In January, 1910, an increase in the stock to \$2,500,000 was authorized. Stockholders were given the privilege of subscribing to new stock at par to the extent of 100% of their respective holdings, the proceeds from the sale of stock to be used to retire \$1,232,200 Debenture Certificates. The new stock was issued and the Debentures were retired on July 1, 1910.

On June 30, 1915, \$188,500 stock was held by the Central of Georgia Ry., \$153,250 stock was held by the Louisville & Nashville R. R., and \$158,550 by the Atlantic Coast Line R. R. On March 31, 1910, \$936,100 stock was owned by the Georgia R. R. and Banking Co. This stock has since been sold to the lessees of that company (Atlantic Coast Line R. R. and Louisville & Nashville R. R.) at \$135 per share to be held in trust by them until the termination of the lease in 1980, and to be returned at the end of such lease at the price named.

For many years large amounts were appropriated from surplus as reserve for improvements. From 1899-0 to 1906-7, inclusive, these appropriations aggregated \$1,069,047. No similar appropriations from surplus have since been made.

On June 30, 1915, the company carried, after all charges had been made, \$742,553 to credit of Profit and Loss. Furthermore, the report showed Additions to Property since June 30, 1907, through income and surplus, \$237,746. Current Assets (including \$617,485 cash) were on June 30, 1915, \$821,145, and Current Liabilities were \$170,926.

The Atlanta & West Point R. R. purchased in 1907-8, without the issuance of securities of any kind, the Atlanta Belt Line (5½ miles) for the sum of \$400,000. This purchase reduced the annual fixed charges by \$16,000, such being the annual rental previously paid for the use of this property.

On June 30, 1915, the entire track contained 80-pound rail.

During 1914-15 about 32% of the tonnage moved consisted of manufactures.

**ATLANTA, BIRMINGHAM & ATLANTIC RY.**

See Table, page 131. (*New Company.*)

See following, regarding appointment of Receivers in January, 1909 for the Atlanta, Birmingham R. R. and reorganization in December, 1915, as the Atlanta, Birmingham & Atlantic Ry.

The Atlanta, Birmingham & Atlantic R. R. was organized in 1905, to build extensions of the Atlantic & Birmingham Ry. from Montezuma, Ga., to Birmingham, Ala., and to Atlanta, Ga., with branch to Mulga, Ala., where is located the prominent coal and iron mines and properties controlled by the A., B. & A. R. R. The line to Atlanta, Ga., was begun in the year 1905, and was finally completed in 1910. The A. & B. Ry. and the A., B. & A. R. R. were consolidated late in 1906.

**COLLATERAL NOTES—REORGANIZATION.**

To carry on the construction of the new lines described above, the Atlantic & Birmingham Construction Co. was organized. This company sold \$8,000,000 Collateral Trust 5% Gold Notes, due May 1, 1910. \$6,239,200 of these Notes were extended to May 1, 1912. Of these, \$5,936,800 were extended from the latter date to May 1, 1915. At maturity, May 1, 1915, the principal was defaulted on the \$5,761,000 of these Notes which remained outstanding on that date. All of the collateral other than the securities of the Railroad was sold at auction June 22, 1915, to the Noteholders Committee and if not otherwise disposed of will be distributed pro rata among the Noteholders (see following). The Railroad property was also sold under foreclosure, subject to the \$4,090,000 A. & B. Ry. 5% bonds, to the General Protective Committee, June 5, 1915 (see following as to Plan of Reorganization of Railroad). The Notes referred to were a joint obligation of the Construction Co. and the Railroad, and were secured by the deposit of \$5,005,000 bonds, \$5,600,000 preferred and \$17,000,000 common stock of the Railroad (a majority), and other securities, including \$4,000,000 common stock of the Woodward Iron Co. (\$10,000,000 common and \$3,000,000 preferred outstanding), which company purchased the assets of the Birmingham Coal & Iron Co., formerly owned by the A., B. & A. R. R., and \$750,000 bonds of the Brunswick Steamship Co. (previously owned).

Under date of December 15, 1915, a Plan of Reorganization was announced for the A., B. & A. R. R. The Atlantic & Birmingham Ry. 5% bonds were to remain undisturbed. Holders of the \$4,476,000 Receivers' Certificates which matured July 1, 1914, but which were not paid off will receive par for principal and interest July 1, 1914 to November 1, 1915, in 5% Income bonds, due November 1, 1930 (\$5,200,000 authorized and to be issued immediately). The A., B. & A. R. R. bondholders and stockholders will not participate in the Reorganization. \$30,000,000 stock will

be sold to a syndicate for \$3,600,000 (\$12 per share). The Receivers' Certificate holders will have the right to participate in the underwriting of this stock.

A new First and Refunding Mortgage will be authorized, bonds to bear interest at not exceeding 5% per annum. The maturity date will not be earlier than October 1, 1935. No bonds will be issued at present.

The successor company will be known as the Atlanta, Birmingham & Atlantic Ry.

DESCRIPTION.

The mileage of the A., B. & A. R. R. amounted, as of June 30, 1915, to about 638 miles, against 324 miles in operation June 30, 1906. The system, as completed, has its eastern terminus at Brunswick, Ga., where a belt railroad, extensive docks, water fronts, warehouses and other terminal properties are owned. At Sessoms (81 miles from Brunswick), the main line connects with a branch to Waycross, Ga. (26 miles). At Fitzgerald, Ga., there is a branch to Thomasville, Ga. (80 miles). The Atlanta Division. (78 miles) connects with the main line at Manchester, Ga. Trains are operated into Atlanta over the tracks of the Georgia Terminal Co. and into Birmingham over the tracks of the Alabama Terminal Co. The stocks of these terminal companies were all owned by the A., B. & A. R. R. These terminal companies had outstanding \$3,000,000 and \$2,445,000 5% bonds due 1927. Interest payments were defaulted on both issues January, 1909, and Receivers appointed (see below). The bonds of both of the above companies were guaranteed principal and interest by the A., B. & A. R. R., and both properties were leased for 99 years from 1907.

The January, 1909, interest on the A., B. & A. R. R. First Mortgage 5% bonds was not paid and the road passed into the hands of Receivers. Interest on certain issues of Equipment Obligations as well as on the Georgia Terminal Co. bonds (as stated), and on the Alabama Terminal Co. bonds (as stated), was also defaulted. Receivers were also appointed for the Brunswick Steamship Co. (since sold), the Birmingham Coal & Iron Co., and the Fitzgerald, Ocilla & Broxton R. R. (40 miles), which companies are or were controlled by the Atlanta, Birmingham & Atlantic R. R. The Fitzgerald, Ocilla & Broxton R. R. had in contemplation the construction of a line from Savannah, Ga., to Albany, Ga.

On July 1, 1913, \$4,994,000 5% Receivers' Certificates fell due. The principal but not the interest on these Certificates were defaulted at maturity, the Certificates remained outstanding at June 30, 1915.

The balance sheet of the A., B. & A. R. R. as of June 30, 1914, showed a large floating debt and a debit balance to Profit and Loss of \$4,446,695.

## ATLANTIC COAST LINE R. R.

See Table, page 132.

The preferred stock of the Atlantic Coast Line R. R. is entitled to non-cumulative dividends of 5% per annum in priority to the common stock. The preferred stock is receiving 5% per annum in May and November. In 1904-5 the common stock received 5%. Late in 1905 the dividend on the common was raised to 6% per annum. The January, 1908, dividend on the common stock was paid in Atlantic Coast Line R. R. 4% certificates of indebtedness. The July, 1908, and the January, 1909, dividends were paid in cash at the rate of 5% per annum. In July, 1909, the rate was again raised to 6%, which rate was maintained until January, 1912, when the stock was placed on a 7% basis. In January, 1915, owing to the decrease in earnings caused by the European War the dividend rate was decreased to 5% per annum. (Dividends, January and July.)

In January, 1914, the directors of the Atlantic Coast Line Co. of Conn., which at that time controlled the Atlantic Coast Line R. R., recommended to the stockholders that its \$17,640,000 stock be reduced one-half concurrent with the distribution to its stockholders of \$17,640,000 stock of the Atlantic Coast Line R. R. Each holder of \$100 stock of the holding company therefor received for his stock, \$100 in Atlantic Coast Line R. R. stock and \$50 in Atlantic Coast Line Co. of Conn. stock. The Atlantic Coast Line Co. of Conn. owns additional securities of the Railroad Co.

## CHANGES IN CAPITAL STOCK.

In January, 1905, an extra dividend of 25% was paid on the common stock, of which 20% was in common stock scrip of the Railroad Company and 5% in the 4% certificates of indebtedness of the Atlantic Coast Line Co. of Connecticut.

New stock has been issued in recent years as follows:

1901-2 sold at par .....	\$7,259,800
December, 1902, to stockholders at \$125 (40%).....	8,500,000
January, 1905 (as above) .....	7,330,000
March, 1906 (to stockholders at par) .....	4,557,600
1909-10 to 1914-15 (exchanged for convertibles*).....	13,769,900
†December, 1912 .....	6,250,500

\*See a following paragraph.

†The proceeds of the \$6,250,500 stock subscribed for in 1912-13, were largely used by the company to subscribe to new capital stock of the Louisville & Nashville R. R. (see that company).

In 1902 the preferred stockholders were given the option of exchanging their shares at the rate of \$100 in preferred stock for \$125 in 4% certificates of indebtedness. To June 30, 1915 \$18,653,100 preferred had been so exchanged for approximately \$23,-

315,000 certificates of indebtedness, leaving \$196,700 preferred stock outstanding. In 1902-3 practically all of the \$3,000,000 old 4% certificates of indebtedness and \$2,500,000 Wilmington & Weldon 7% certificates of indebtedness were retired. \$1,100 remained outstanding June 30, 1915. During 1909-10 practically all the certificates of indebtedness of the company were exchanged for Convertible Debenture bonds. See details in a following paragraph.

#### HISTORY.

The Savannah, Florida & Western Ry., which owned and controlled 2,234 miles, was merged with the Atlantic Coast Line R. R., July 1, 1902; at the same time possession was taken of the St. John & Lake Eustis R. R., of the Sanford & Lake Eustis R. R., and of the Florida Midland R. R. Also the properties of the Florida Southern R. R. and the Sanford & St. Petersburg R. R. were conveyed to the Atlantic Coast Line R. R. To pay indebtedness to Atlantic Coast Line Co. of Conn. to carry out the purchase of these lines and to retire \$12,451,000 4% bonds of the Savannah, Florida & Western Ry., as well as the \$5,500,000 certificates of indebtedness mentioned above and \$380,000 additional certificates, \$32,344,000 First Consolidated Mortgage 50-year 4% bonds dated July 1, 1902, were issued. On June 30, 1915, there were outstanding in the hands of the public \$50,888,000 First Consolidated 4% bonds. The balance of the \$51,326,750 First Consolidated bonds (total authorized issue) were held in the treasury of the company.

#### SECURITIES OWNED—LOUISVILLE & NASHVILLE R. R.

On June 30, 1915, there were held in the treasury the company's own bonds of a par value of \$19,263,780.

In 1902, the Atlantic Coast Line R. R. acquired \$30,600,000 of the \$60,000,000 capital stock of the Louisville & Nashville R. R., giving in payment therefor \$10,000,000 in cash; \$35,000,000 in 4% 50-year Collateral Trust bonds of the Atlantic Coast Line R. R. of Virginia, secured by deposit of the Louisville & Nashville R. R. stock, and \$5,000,000 stock of the Atlantic Coast Line R. R. In 1912-13, \$6,120,000 additional Louisville & Nashville R. R. stock was acquired, making \$36,720,000 stock owned, of a total of \$72,000,000.

Altogether the Atlantic Coast Line R. R. is interested to the extent of a half interest or more (by stock ownership, lease or otherwise) in 12,912 miles of road (including 8,214 miles of other road) and 659 miles of steamship lines (Peninsula & Occidental Steamship Co.).

The following tables show the holdings of securities by the Atlantic Coast Line Co. of Conn., Atlantic Coast Line R. R. and the Louisville & Nashville R. R.:



## THE EARNING POWER

## I.

## ATLANTIC COAST LINE CO. OF CONN.

June 30, 1915.

	Total	Owned by
	Outstanding	A. C. L. Co.
Atlantic Coast Line R. R. common.....	\$67,557,200	*\$18,428,500
Atlantic Coast Line R. R. Class "A".....	1,000,000	162,100
Atlantic Coast Line R. R. bonds.....	136,493,135	5,812,000
Charleston & Western Carolina Ry. stock	1,200,000	1,200,000
Charleston & Western Carolina Ry. 1st Cons. Bonds.....	2,380,000	†791,000
Nashville, Chat. & St. Louis Ry. stock (see below) .....	16,000,000	48,000

\*Prior to March 10, 1914, the Atlantic Coast Line Co. of Conn. held \$36,072,800 (a majority) Atlantic Coast Line R. R. stock. On the date mentioned about one-half of this stock was distributed pro rata among the former company's stockholders.

†Central of Georgia Ry. owns balance of this issue.

NOTE:—Other securities are held including \$3,434,000 bonds of Industrial Cos'. (International Agricultural Corporation, Amalgamated Phosphate Co., etc.), \$815,200 bonds and \$155,700 stocks of railroad lines affiliated with the Atlantic Coast Line R. R. System.

## II.

## ATLANTIC COAST LINE R. R.

June 30, 1915.

	Total	Owned by
	Outstanding	A.C.L.R.R.
Louisville & Nashville R. R. stock ....	\$72,000,000	\$36,720,000
Richmond-Washington Co. stock.....	*2,670,000	*445,000
Atlanta & West Point R. R. stock.....	†2,462,600	†158,550
Western Ry. of Alabama stock.....	††3,000,000	††750,000
Columbia, Newberry & Laurens Ry. stock	‡500,000	225,400
Winston-Salem Southbound Ry..... (a)	125,000	62,100
Atlantic Land & Improvement Co. stock (b).....		3,000,000
Atlantic Land & Improvement Co. Cdfs. of Indebtedness (4%).....		666,000
Chesapeake Steamship Co. stock..... (c).....		200,000
Peninsula & Occidental Steamship Co. stock .....	(d).....	750,000
Peninsula & Occidental Steamship Co. acknowledgment of indebtedness.....		750,000
Old Dominion Steamship Co..... (e)	1,500,000	(e) 120,000

NOTE:—Jointly with the Louisville & Nashville R. R. (controlled by A. C. L. R. R.—see following), this company leases the Georgia R. R. (344 miles).

\*Owned jointly by six companies—see Richmond, Fredericksburg & Potomac R. R. †The Central of Georgia Ry. held June 30, 1915, \$188,500 stock and the Louisville & Nashville R. R. \$153,250 stock.

The Atlantic Coast Line R. R. and Louisville & Nashville R. R. as Lessees of the Georgia R. R. & Banking Co. also hold \$936,100 Atlanta & West Point R. R. stock. ††The Atlantic Coast Line R. R. and the Louisville & Nashville R. R. as Lessees of the Georgia R. R. each hold \$750,000 of the stock, the balance \$1,500,000 is held by the Central of Georgia Ry. †The Seaboard Air Line Ry. owned \$83,350 additional of this stock. (a) Owned jointly with the Norfolk & Western Ry. The two companies in control jointly guarantee \$5,000,000 4% bonds of the W. S. S. B. Ry. (b) Paid \$272,313 in dividends during the year 1913-14 and \$62,395 during 1914-15. (c) Southern Ry. owns \$400,000 stock—operates steamship lines Baltimore to Norfolk and Richmond. (d) Operates steamships Tampa, Fla., to Key West and Havana; Miami to Bahamas. (e) Additional stock (June 30, 1915), held as follows: Chesapeake & Ohio R. R. \$120,000; Southern Ry., Seaboard Air Line and Norfolk & Western Ry., \$210,000 each.

## III.

## LOUISVILLE &amp; NASHVILLE R. R.

Majority stock owned by A. C. L. R. R.

June 30, 1915.

	Total Outstanding	Owned by L. & N. R. R.
Atlanta & West Point R. R. (see above)..	\$2,462,600	\$153,250
Chic., Ind. & Louisville R. R. pfd.....	5,000,000	*1,936,700
Chic., Ind. & Louisville R. R. com.....	10,500,000	*4,903,450
Louisville, Hend. & St. Louis Ry. pfd..	2,000,000	1,471,291
Louisville, Hend. & St. Louis Ry. com..	2,000,000	1,721,871
Nashville, Chattanooga & St. Louis Ry..	16,000,000	11,484,100
New Orleans, Mobile & Chic. R. R. pfd.	2,000,000	†216,616
New Orleans, Mobile & Chic R. R. com.	8,075,300	†2,385,255
Western Ry. of Ala. (see above).....	3,000,000	750,000

\*Southern Ry. owns equal amount. †Company in Receivers' hands; St. Louis & San Francisco R. R. owns a like amount of stock.

## BONDS.

The stockholders in November, 1909, authorized (1) an issue of \$200,000,000 4% Unified Mortgage bonds; (2) \$23,562,500 4% 6-30-year Convertible Debenture bonds in order to provide an alternative method of retiring certificates of indebtedness, and (3) an increase in the common stock to an amount sufficient to retire the Debenture bonds. The proceeds of the mortgage bonds were to be used for refunding purposes, for double tracking and for new construction; sufficient bonds were reserved, however, to retire an equal amount of 4% certificates of indebtedness

under the company's offer of exchange. Practically all of the certificates of indebtedness were exchanged for Debentures (see following).

To June 30, 1913, \$25,239,584 of the 4% Unified bonds had been issued, \$8,809,000 for refunding purposes and the balance for construction, additions and betterments. Only \$9,667,000 of these bonds had been sold to June 30, 1913. As the bonds under the Unified Mortgage could not be issued to bear interest at a higher rate than 4% per annum, the company decided to close the issue and authorized in its place a new General Unified Mortgage for \$200,000,000, issuable as follows: (1) to refund \$30,847,484, Unified bonds, either in Treasury or outstanding, \$30,847,484; (2) reserved to retire Certificates of Indebtedness, preferred stock and underlying bonds, \$84,713,766; (3) reserved for future construction, additions, betterments, etc. \$84,438,750. The bonds mature 1964. Practically all of the Unified 4% bonds have been exchanged for the new bonds, \$32,979,029 of which had been issued to June 30, 1915 (including \$18,825,030 in Treasury).

The Convertible Debenture bonds were offered dollar for dollar, in exchange for the certificates of indebtedness; this offer was an alternative proposition to the one mentioned above to exchange for Unified bonds. The Convertible bonds mature 1939 and are convertible into common stock at 135 before January 15, 1920.

During 1909-10, \$23,072,300 of the Convertible Debenture bonds were issued in exchange for certificates. An additional \$2,338,300 of these Convertibles (previously held in treasury) were sold in 1910-11 at 98 and interest. \$18,589,365 of the Convertible Debenture bonds were exchanged prior to June 30, 1915, for \$13,769,900 common stock. There remained outstanding June 30, 1915, \$4,482,935 Convertible Debentures.

#### GENERAL.

In 1903-4 the Atlantic Coast Line R. R. received 5% on Louisville & Nashville R. R. stock. In December, 1904, the annual dividend on the Louisville & Nashville R. R. stock was raised to 6%, which rate was maintained until July, 1908, when it was reduced to 5%. The 6% rate was restored in August, 1909, and from February, 1910, to August, 1914, inclusive, semi-annual dividends at the rate of 7% per annum were paid. In February, 1915, the dividend rate was reduced to 5% per annum.

During the last few years new industries, such as factories, mills, etc., were located on the lines of the Atlantic Coast Line R. R. to a total number as follows: 1907-8, 154; 1908-9, 140; 1909-10, 168; 1910-11, 229; 1911-12, 215; 1912-13, 189; 1913-14, 207; 1914-15, 315.

During the nine fiscal years 1906-7 to 1914-15, inclusive, 1,885 miles of track (including second track) were laid with 85-pound rails.

The amount of equipment on hand June 30, 1915, as against June 30, 1903, compared as follows:

	1915	1906
Locomotives .....	811	451
Passenger Cars .....	674	505
Freight Cars .....	28,927	13,972
Work Equipment .....	1,169	396

## CURRENT ASSETS.

Current Assets on June 30, 1915 (including \$2,013,045 material and supplies), were \$17,656,865 and Current Liabilities were \$6,003,418. There was a credit balance to Profit and Loss of \$29,917,109.

**CAROLINA, CLINCHFIELD & OHIO RY.**

See Table, page 133.

This company operates a line of railway from Elkhorn City, Ky., southward through western Virginia, eastern Tennessee and North Carolina to the South Carolina Line (260 miles), thence via Carolina, Clinchfield & Ohio Ry. of South Carolina (entire \$3,000,000 stock owned) to Spartansburg, S. C. (18 miles); total mileage operated June 30, 1915, including branch and 8 miles of trackage, 290 miles. This company is controlled by the Cumberland Corporation, and its line was constructed to provide an outlet to market for the vast deposits of coal, lying in what is known as the Clinchfield Coal Districts. This mileage included an extension from Dante, Va., northward (34 miles), to Elkhorn City, Ky. (completed July 1, 1915), where connections have been made with the Big Sandy Division of the Chesapeake & Ohio Ry., thus forming a short through route between the Middle West and a portion of Tennessee, the Carolinas, Georgia and Florida, and for commerce through the South Atlantic ports. The road is of the highest known type of construction. The main track is laid with 85 to 90-pound rail, and grades are reduced to a minimum. Although this railroad traverses largely a mountainous country, no grades exceed 1.2% northbound and 1% southbound. Bridges are of steel, equipment the best, etc.

The company has outstanding \$25,000,000 common stock and \$10,000,000 6% preferred stock (\$2,000,000 additional held in treasury); also \$13,500,000 First Mortgage 5% bonds due 1935 (\$150,000 additional in treasury and \$500,000 additional pledged); \$2,000,000 10-Year 5% Notes due 1919; \$5,500,000 Elkhorn Extension First Mortgage 5% Notes due 1917, and \$200,000 Lick Creek & Lake Erie R. R. 5% bonds. Semi annual dividends of 3% were paid on the preferred stock from March, 1913, to September, 1914, inclusive.

The balance sheet as of June 30, 1915, showed Current Assets \$1,566,812 and Current Liabilities \$1,058,960.

As of June 30, 1915, main track contained:

3 miles of 90-pound rail,	5 miles of 80-pound rail,
250 miles of 85-pound rail,	2 miles of 60-pound rail.

Sidings contained 53 miles of 80 to 90-pound rail and 48 miles of lighter rail.

The general distribution of ballast in main track is as follows: 190 miles stone; 63 miles slag, and 4½ miles of bridges.

An extension of this company's line to Southport, N. C., on the Atlantic Seaboard is projected. \$2,000,000 stock of the Southport Harbor Co. is owned.

Products of mines contributed 76% of the total freight tonnage handled during 1914-15.

### CENTRAL OF GEORGIA RY.

See Table, page 134.

#### INCOME BONDS—PREFERRED STOCK.

This company has outstanding \$15,000,000 6% cumulative preferred stock (issued to provide funds to retire practically the entire issue of Income bonds—see following). Dividends have regularly been paid on this stock since its sale in July, 1912. In 1912-13, 1913-14 and 1914-15, dividends of 5% each were paid on the common stock. The entire issues of preferred and common stocks are owned by the Illinois Central R. R. The preferred stock was purchased by the Illinois Central R. R. at par, the cash being used to pay off Income bonds (as stated). The \$5,000,000 common stock was purchased in June, 1909, from the late E. H. Harriman for \$3,474,279.

The Income bonds were entitled to non-cumulative interest of 5% per annum, the First Incomes in priority to the Second Incomes, and the Second Incomes in priority to the Third Incomes. Interest has regularly been paid on the First Incomes, although not always at the full rate since 1901. The second Incomes received 2% in 1904; 5% in 1905, 1906 and 1907; 2.821% in 1908; and 5% annually 1911 to 1915 inclusive. The Third Incomes received 5% yearly from 1905 to 1907; 1.458% in 1911, and 5% annually thereafter.

Following protracted litigation in various suits to collect additional interest instituted in behalf of the Income bondholders, an offer was made in December, 1911, to acquire the Income bonds, (in the interest of the Illinois Central R. R., which controls the Central of Georgia Ry.) as follows: For each First Income bond, \$950 for principal and \$63.76 for interest. For each Second Income bond, \$925 for principal and \$121.79 for interest. For each Third Income bond, \$900 for principal and \$195.42 for interest. Under the terms of this offer the Illinois Central R. R. acquired

all excepting \$299,300 of the \$4,000,000 First Incomes; \$7,000,000 Second Incomes and \$4,000,000 Third Incomes; at a cost of slightly over \$15,000,000.

## SECURITIES OWNED.

The Central of Georgia Ry. owns a majority of the stocks of the Wrightsville & Tennille R. R., including as of June 30, 1915, \$70,000 (the entire issue) of preferred and \$278,575 of common. Also this road owns all the stock of the New England & Savannah Steamship Co., the Ocean Steamship Co., of Savannah (\$1,999,200), all of the stock (\$598,100) and bonds (\$800,000) of the Wadley Southern Ry.; also \$1,500,000 or one-half of the stock of the Western Ry. of Alabama, \$188,500 of the stock of the Atlanta & West Point R. R., and \$1,589,000 First Consolidated bonds of the Charleston & Western Carolina Ry.

## GENERAL.

During 1908-9, \$300,000 Consolidated Mortgage 5% bonds were sold, exhausting the capital reserves of the company. Under date of October 1, 1912, an issue of bonds known as the First Refunding Mortgage bonds was authorized. The bonds (\$80,000,000 authorized) will bear interest at not to exceed 5% per annum. The bonds have priority to the Consolidated Mortgage bonds on a portion of the mileage covered by the latter issue. Nearly one-half of the bonds will be used to retire underlying securities. Only \$122,000 of these bonds are outstanding; an additional \$7,151,000 are either in the Treasury or are otherwise available for the company's purposes.

In 1910-11, 1909-10, 1908-9 and 1907-8, \$1,147,307, \$1,318,123, \$837,101 and \$324,768 respectively were expended or reserved for betterments, and deducted from the surplus earnings. Prior to 1907-8, such expenditures were included in operating expenses.

On June 30, 1915, Current Assets were \$3,500,285 (including \$881,493 cash) and Current Liabilities were \$5,592,487. Additions to property through income and surplus since June 30, 1907, amounted to \$2,413,223, and Funded Debt retired during this period amounted to \$1,458,835. There was a credit to Profit and Loss of \$1,918,760.

## CHARLESTON &amp; WESTERN CAROLINA RY.

See Table, page 135.

No dividends are being paid on this company's capital stock.

Formerly the Charleston & Western Carolina Ry. had outstanding an issue of \$2,380,000 5% Non-cumulative Income bonds. 2% was paid on these bonds in 1904, 3% in 1905, 5% in 1906, 5% in 1910 and 5% in 1911. Early in 1914 the Income bonds were retired, the holders receiving in exchange therefore par in First Consolidated Mortgage 5% bonds, due January 1, 1964, (\$10,000,000 authorized), bearing interest at 2% yearly for first two

years, 3% for the next three years, 4% for the next five years and thereafter at 5% per annum. Additional bonds may be issued under this mortgage to retire the \$2,720,000 First Mortgage 5% bonds, due 1946, and the Augusta Terminal 6% bonds due 1947, at maturity, and the balance is reserved for additions, equipment, etc.

The stock of this road, and \$791,000 First Consolidated Mortgage bonds are owned by the Atlantic Coast Line Co. (of Connecticut). The balance of the First Consolidated Mortgage bonds (\$1,589,000), is owned by the Central of Georgia Ry.

The balance sheet as of June 30, 1915, showed Current Assets, \$1,003,246 and Current Liabilities, \$258,009.

Main track on June 30, 1915, contained:

111 miles of 80-pound rail,	19 miles of 63-pound rail,
62 miles of 70-pound rail,	11 miles of 60 and 61½-lb. rail,
27 miles of 65-pound rail,	112 miles of 56-pound rail.

### CHESAPEAKE & OHIO RY.

See Table, page 136.

From October, 1899, to October, 1908, 1% annually was paid on the stock. In June, 1909, a quarterly dividend of 1% was paid and the annual rate of 4% was maintained to and including March, 1910. In June, 1910, the rate was raised to 5% per annum; in October, 1913, the rate was reduced to 4% per annum. Dividends were paid quarterly at this rate to and including June, 1914. In December, 1914, 1% was paid. No dividends have been paid since that date.

The following sums have been appropriated from surplus earnings or included in operating expenses for improvements, new equipment, etc., and for payments on account of principal of Equipment Trusts:

Year 1900-1.....	\$1,304,172	Year 1905-6.....	\$2,532,739
Year 1901-2.....	1,440,815	Year 1906-7.....	2,684,221
Year 1902-3.....	591,012	Year 1907-8.....	1,639,327
Year 1903-4.....	1,311,366	Year 1908-9.....	1,217,449
Year 1904-5.....	1,952,477		

### CONTROL.

A majority of the capital stock was, until 1906, held by or in the interest of the New York Central & Hudson River R. R. and Pennsylvania R. R. As of June 30, 1905, the New York Central & Hudson River R. R. and "Big Four" owned stock of the Chesapeake & Ohio Ry. representing outlays, respectively, of \$1,638,455 and \$2,453,569. As of December 31, 1905, the Pennsylvania R. R. and subsidiary lines owned \$15,630,000 of the stock, but late in 1906 sold the same to Kuhn, Loeb & Co.

In 1909, the Kuhn, Loeb & Co. holdings, amounting to \$24,000,000, including about \$8,000,000 stock owned by the New York Central Lines, were disposed of to a syndicate headed by Edwin Hawley.

#### BONDS GUARANTEED.

The company is liable as guarantor of bonds not included in its liabilities as follows: Norfolk Terminal & Transportation Co. First Mortgage (\$500,000); Chesapeake & Ohio Grain Elevator Co. First Mortgage (\$820,000); Western Pocahontas Corporation First Mortgage and Extension Mortgages (\$884,000); Chesapeake & Ohio Northern R. R. 5% Notes (\$500,000).

The company is joint guarantor with the "Big Four" (Chesapeake & Ohio Ry. one-third) of the Louisville & Jeffersonville Bridge Co. first mortgage (\$4,500,000), and with five other roads (Chesapeake & Ohio one-sixth), of the Richmond-Washington Co., collateral trust mortgage (\$10,000,000).

#### LINES ACQUIRED.

The Chesapeake & Ohio Ry. owns \$8,825,800 par value common stock of the Hocking Valley Ry. (largely acquired in 1909-10 and 1910-11), of a total of \$11,000,000 outstanding. See Hocking Valley Ry. There was also owned on June 30, 1914, \$4,029,200 stock of the Kanawha & Michigan Ry., which was disposed of in October, 1914, to the Toledo & Ohio Central Ry. The profit on the transaction \$1,119,315 was transferred to Surplus. (See that company.)

For payments on account of cost of the Chicago Line, the Chesapeake & Ohio Ry. received on account and now owns \$13,716,308 par value securities of the Chesapeake & Ohio Ry. of Indiana (283 miles), a company organized in 1910, which acquired, at foreclosure sale, the road formerly owned by the Chicago, Cincinnati & Louisville R. R. The results of operations of that line, the shortest between Cincinnati and Chicago, are included, from July 1, 1910, with those of the Chesapeake & Ohio Ry. The distance from tidewater at Newport News to Chicago via Chesapeake & Ohio Lines is 940 miles, comparing with the length of lines of other systems from tidewater at New York to Chicago, ranging from 906 to 998 miles.

#### CONVERTIBLE BONDS.

To finance these various purchases and for other purposes the Chesapeake & Ohio Ry., pursuant to an offer made under date of March 25, 1910, sold to stockholders at 93½% \$31,390,000 of an authorized issue of \$37,200,000 20-year 4½% Convertible bonds, due February 1, 1930. These bonds may be called as an entire issue at 102½% and interest, and are convertible at par into common stock until February 1, 1920. These bonds are now secured



by valuable mileage covered by the new First Lien and Improvement bonds (see following):

The Indenture provides that as long as the conversion privilege exists the company shall not issue any preferred shares nor distribute any shares as stock dividend.

#### SECURED NOTES—NEW BONDS.

On June 1, 1914, \$25,000,000 and \$3,500,000 Secured Gold 4½% and 5% Notes, matured. To pay off these Notes and for other purposes the company sold to a syndicate \$33,000,000 of an authorized issue of \$40,000,000 5% Notes, due June 1, 1919. They are secured by \$40,270,000 First Lien and Improvement bonds. The company agreed that it would set aside from surplus earnings \$2,000,000 for the year 1914-15, \$3,000,000 for the year 1915-16, and \$4,000,000 for each of the three following years to be used for capital expenditures, including the retirement of Equipment Certificates and of Notes of this issue.

The First Lien and Improvement Mortgage which has been authorized provides for an issue of \$125,000,000 bonds maturing December 1, 1930. The bonds are a mortgage upon the property subject to existing liens, and upon securities (bonds and stocks) of a par value of \$30,136,408, including practically all of the stock owned of the Hocking Valley Ry., the bonds and stock of the C. & O. Ry. of Indiana, and \$7,302,000 C. & O. General Funding and Improvement 5% bonds, due 1929 (issue limited to \$11,000,000).

The \$7,302,000 C. & O. General Funding and Improvement bonds mentioned above were purchased by the company, \$6,787,000 in 1909-10 and \$525,000 in 1912-13.

Late in January, 1916, \$3,160,000 Equipment Trust 4½% bonds were sold, maturing serially July 15, 1916, to January 15, 1926.

#### GENERAL.

Main and second track (2,625 miles, of which 477 miles second track) included, June 30, 1915:

952 miles of 100-pound steel,	412 miles of 75-pound steel,
376 miles of 90-pound steel,	257 miles of 70-pound steel,
447 miles of 85-pound steel,	107 miles of 62-pound steel,
8 miles of 80 pound steel,	64 miles of lighter steel.

Bituminous coal contributed about 70% of the total tonnage in 1914-15, against 68% in 1913-14. Of the total tonnage carried in 1914-15 by the Chesapeake & Ohio Ry. about 82% originated on the lines of the company.

The construction of about 30 miles of a line known as the Chesapeake & Ohio Northern Ry. was begun during 1914-15. This railway, the entire stock of which is owned by the Chesapeake & Ohio Ry., is to extend from near Edginton, Ky., to a

point near Waverly, Ohio, on the Norfolk & Western Ry. Trackage rights have been arranged with the latter company so that a connection may be afforded with the Hocking Valley Ry. at a point near Columbus, O. A large portion of the cost of this extension will be provided for by the proceeds derived from the sale of the Kanawha & Michigan Ry. stock (about \$4,000,000). An issue of \$1,000,000 C. & O. Northern Ry. 5% bonds due 1945 were sold in December, 1915:

An interesting comparison can be made of the record for sixteen years of the Chesapeake & Ohio Ry. and the Norfolk & Western Ry. The former's gross earnings have increased since 1898-9 about \$27,500,000, while the latter's gross earnings have increased about \$31,000,000. In 1898-9 the earnings were about alike (\$12,000,000). The average mileage operated by the former in 1914-15 was 327 miles in excess of the latter's.

These two companies on June 30, 1915, had outstanding stock and bonds as follows:

	C. & O. Ry.	N. & W. Ry.
Common stock .....	\$62,792,600	\$108,154,400
Preferred stock .....	3,200	23,000,000
Bonds, Equipment Ctf's., etc. ....	173,099,163	107,849,500
Total .....	\$235,894,963	\$238,995,700
Included above are bonds convertible into common stock at par .....	\$31,390,000	\$13,584,000

The entire surplus earnings of the C. & O. Ry. over and above nominal amounts paid out in dividends were, during the ten fiscal years to June 30, 1909, expended largely for improvements, additions and new equipment. The following statements are significant:

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR TEN FISCAL YEARS  
TO JUNE 30, 1909.

	Dr.	Cr.
Balance June 30, 1899 .....		\$2,147,580
Net Income to June 30, 1909 .....		26,251,378
Dividends to June 30, 1909 .....	\$6,816,499	
Discount on General Mortgage Bonds, Equipment Trust Certificates, etc. (net)	2,907,986	
Sundry Adjustments (Securities Written off, etc.), and Sinking Fund .....	1,628,345	
Additions to Property .....	15,172,273	
Balance June 30, 1909 .....	1,873,855	
	\$28,398,958	\$28,398,958

There follows a statement, similar to the above statement, for the period from July 1, 1909, to June 30, 1915:

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR SIX FISCAL YEARS  
TO JUNE 30, 1915.

	Dr.	Cr.
Balance June 30, 1909 .....		\$1,873,855
Surplus 1909-10 to 1914-15 .....		22,726,833
Dividends 1909-10 to 1914-15.....	\$15,226,030	
Profit on Kanawha & Michigan Ry. stock sold .....		1,119,316
Discount on Bonds, Notes, etc. (net) Sinking Fund and Sundry Adjustments	7,546,434	
Balance June 30, 1915 .....	2,947,540	
	<u>\$25,720,004</u>	<u>\$25,720,004</u>

On June 30, 1915, Working Assets (including \$2,581,952 material and supplies) were \$7,657,833; in addition, stocks and bonds valued at \$6,308,306 were held unpledged. Working Liabilities were \$5,043,827.

During the period from July 1, 1909, to June 30, 1915, the company issued or assumed \$109,379,390 bonds and Notes and realized from same \$103,796,715. \$49,749,000 bonds, Notes or Equipment Obligations of the company were purchased or retired at a cost of \$50,032,741, making a net increase on bonds, etc., in the hands of the public of \$59,630,390. With the proceeds derived from the sale of these bond issues, etc., the Chesapeake & Ohio Ry. acquired during this period \$29,378,400 stocks and bonds of other companies (C. & O. Ry. of Indiana, Hocking Valley Ry., Kanawha & Michigan Ry., etc.), the cost of the same being \$28,304,746. Additional properties were acquired at a cost of \$4,192,869 and \$35,504,020 was expended for extensions, additions, betterments and equipment. The total amount expended during the above period (exclusive of company bonds purchased or retired) was \$68,001,636, an amount \$14,237,661 in excess of the net receipts through the increase in Capital Obligations issued.

### COAL & COKE RY.

See Table, page 137.

The preferred stock of this company is entitled to non-cumulative dividends at the rate of 5% per annum in priority to common stock (no dividends are paid), and was created to purchase \$6,300,000 bonds (of which \$5,000,000 were cancelled) and to pay off other debts of the company.

The cancellation of the \$5,000,000 bonds (First Mortgage 5s due April 1, 1919), referred to above, reduced the funded debt from \$10,000,000 to \$5,000,000, of which \$4,089,000 were outstanding June 30, 1915.

The Coal & Coke Ry. is located wholly within the State of West Virginia. The line makes connection at its Eastern points with the Baltimore & Ohio R. R. at Belington and with the Western Maryland R. R. at Roaring Creek Jc. and at Elkins; and at its Western point with the Kanawha & Michigan Ry. and Chesapeake & Ohio Ry. at Charleston.

Of the freight tonnage handled in 1914-15 Coal and Coke contributed 81.8%, and Products of Forest contributed 8.4%. A total of 92.1% of all tonnage handled originated on the lines of the company.

The Coal & Coke Ry. owns 100,000 acres of coal lands and coal mining rights situated adjacent to the lines of the company.

The Railway has what is virtually a perpetual lease of all the properties of the Davis Colliery Co., and the latter is conducted practically as the coal department of the Railway. That company owns about 25,000 acres of coal lands and coal-mining rights.

Bills payable June 30, 1915, were \$1,510,390 and there was due H. G. Davis, open account, the sum of \$820,233.

#### FLORIDA EAST COAST RY.

See Table, page 138.

No dividends are being paid on the stock of this company.

The total amount of common stock is \$10,000,000 (all sold at par), of which \$5,000,000 was sold during 1913-14, and the proceeds used toward completing the line of road from Knight's Key to Key West (45 miles) and for improvements, etc.

The entire authorized issue of \$12,000,000 First Mortgage 4½% bonds, due June 1, 1959, have been sold.

\$25,000,000 non-cumulative 5% Income bonds due 1959 are outstanding. 3½% was paid on these Income bonds from earnings for the fiscal year 1909-10. 4% was paid in 1910-11, and 2½% each was paid in 1911-12, in 1912-13 and in 1913-14; 4% was paid in 1914-15 (1914-15 payment made November 1, 1915).

The line of this company originally extended from Jacksonville to Miami, Fla., with branches, about 460 miles. An extension southward from Miami to Key West (155 miles) was completed on January 22, 1912. From Key West this line will connect by car ferries with Havana, Cuba (106 miles distant).

On June 30, 1915, there was completed a branch line commencing at Maytown on the Titusville Branch and extending south 122 miles to the shores of Lake Okeechobee.

On June 30, 1915, Current Assets (including \$485,481 material and supplies) were \$2,063,253. Current Liabilities, including \$2,040,381 Loans and Bills Payable, were \$3,755,030. Current Liabilities included \$7,605,386 advances. There was a credit balance to Profit and Loss of \$221,900.

### GEORGIA SOUTHERN & FLORIDA RY.

See Table, page 139.

The first preferred stock is entitled to non-cumulative dividends of 5% per annum and is redeemable at par. The second preferred stock is entitled to non-cumulative dividends of 5% per annum; if such dividends have been paid on the common stock all dividends are paid.

Dividends at the rate of 5% were paid on the first and second preferred stock for a number of years including 1914-15. In the year 1915, the semi-annual dividend of 2½% on each of the preferred stocks was omitted. Dividend periods, May and November.

In 1912 the company made a First Consolidated Mortgage of \$10,000,000 4½% 20 year bonds. Of these bonds, \$2,000,000 were used to acquire the Atlantic, Valdosta & Western R. Co. (operating owned by the Southern Ry.), \$4,684,000 were used to retire bonds and the first preferred stock, and the balance for future requirements. (\$3,200,000 issued to June 30, 1915, of which \$1,200,000 were in the Treasury.)

The Georgia Southern & Florida Ry. is affiliated with the Southern Ry., although operated separately. The Southern Ry. has approximately \$177,700 Georgia Southern & Florida Ry. first preferred stock, \$319,000 second preferred stock, and \$1,693,000 non-preferred stock, also, \$2,000,000 First Consolidated 4% bonds. The Macon & Birmingham Ry., La Grange to Macon, 105 miles, is owned by the same interests, but operated independently. On February 3, 1908, a Receiver was appointed for this last road. The gross earnings of the Macon & Birmingham R. Co. in 1914-15 were \$128,743; net earnings were \$41,863, and there was a deficit for the year of \$57,929.

The Georgia Southern & Florida Ry. owns the stock of the Hawkinsville & Florida Southern Ry. (44 miles), and guarantees principal and interest, \$600,000 5% bonds of that company. The road, which is operated separately, was leased for 45 years from May 1, 1907, to the Gulf Line Ry. (total mileage of the two companies, 100 miles). The Gulf Line Ry. was purchased in 1911 by the Hawkinsville & Florida Southern Ry., and the two are virtually controlled and operated by the Georgia Southern & Florida Ry.

Including \$261,381 material and supplies on hand, the Current Assets on June 30, 1915, were \$679,095, and Current Liabilities were \$619,984. The credit balance to Profit and Loss on June 30, 1915, amounted to \$1,507,612.

In 1902-3, Forest Products handled amounted to 547,075 tons, or 63.6% of the total tonnage; in 1914-15, Forest Products amounted to 18,855 tons, or 20.8% of the total tonnage.

This company, jointly with the Southern Ry. and the Central of Georgia Ry., guarantees an issue of \$1,600,000 First Mortgage 50-Year 5% bonds issued July 1, 1915, to provide funds for the construction of a union passenger station at Macon, Ga.

Under date of November 15, 1915, \$450,000 4½% Equipment bonds due serially November 15, 1916, to 1925, were sold.

See Southern Ry.

### MACON, DUBLIN & SAVANNAH R. R.

See Table, page 140.

\$3,200,000 stock is authorized, of which \$2,040,000 was outstanding on June 30, 1913. No dividends are paid. As of *June 30, 1914*, the Seaboard Air Line Ry. owned \$940,000 stock of this company.

The bonded debt of this company consists of an authorized issue of \$1,840,000 First Mortgage 5% bonds, due 1947, guaranteed principal and interest by the Seaboard Air Line Ry. \$1,505,000 of these bonds were outstanding June 30, 1915, and \$50,000 were in the Treasury. The balance (\$285,000), are reserved for improvements and betterments.

The balance sheet of June 30, 1915, showed Current Assets, \$129,295, and Working and Accrued Liabilities, \$219,581. There was a debit balance to Profit and Loss of \$3,742.

In the annual report for 1911-12, the vice-president called attention to the need of additional equipment. He stated that with the increase in the per diem rate the company on the basis of use of foreign cars in 1912 would have to pay \$42,543 (\$29,352, 1912-13, \$30,606, 1913-14 and \$21,813, 1914-15), for the use of foreign cars, equal to 5% on \$850,857. He further stated that no new freight cars had been added since 1906, although traffic had increased more than 97% since that time.

### NORFOLK SOUTHERN R. R.

See Table, page 141.

The property of the former Norfolk & Southern Ry. was sold on December 7, 1909, under foreclosure of the First and Refunding mortgage.

On May 5, 1910, the Receivers of the former Norfolk & Southern Ry. were discharged and the new company known as the Norfolk Southern R. R. took possession of the property.

In January, 1911, an initial quarterly dividend of ½% was paid on the stock of the new company, which rate (2% per annum) was continued to and including January, 1914. In April, 1914, the dividend was passed.

#### PLAN OF REORGANIZATION.

The Plan of Reorganization of this company, together with its previous history and its future plans, has been dealt with at length

## GEORGIA SOUTHERN &amp; FLORIDA RY.

See Table, page 139.

The first preferred stock is entitled to non-cumulative dividends of 5% per annum, and is redeemable at par. The second preferred stock is entitled to non-cumulative dividends of 5% per annum. After 5% shall have been paid on the common stock all classes share alike.

Dividends at the rate of 5% were paid on the first and second preferred stocks for number of years including 1914-15. In November, 1915, the semi-annual dividend of 2½% on each class of preferred stock was omitted. Dividend periods, May and November.

In 1902, this company made a First Consolidated Mortgage to secure \$10,000,000 4% 50-year bonds. Of these bonds, \$2,000,000 were issued to acquire the Atlantic, Valdosta & Western R. R., 107 miles (previously owned by the Southern Ry.), \$4,684,000 were reserved to retire bonds and the first preferred stock, and the balance for future requirements. (\$3,200,000 issued to June 30, 1915, of which \$1,200,000 were in the Treasury.)

The Georgia Southern & Florida Ry. is affiliated with the Southern Ry., although operated separately. The Southern Ry. owns approximately \$177,700 Georgia Southern & Florida Ry. first preferred stock, \$319,000 second preferred stock, and \$1,693,000 common stock; also, \$2,000,000 First Consolidated 4% bonds. The Macon & Birmingham Ry., La Grange to Macon, 105 miles, is owned by the same interests, but operated independently. On February 3, 1908, a Receiver was appointed for this last named road. The gross earnings of the Macon & Birmingham Ry. for 1914-15 were \$128,743; net earnings were \$41,863, and there was a deficit for the year of \$57,929.

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In January, 1911, an initial quarterly dividend of ½% was paid on the stock of the new company, which rate (2% per annum) was continued to and including January, 1914. In April, 1914, the dividend was passed.

#### PLAN OF REORGANIZATION.

The Plan of Reorganization of this company, together with its previous history and its future plans, has been dealt with at length



in previous editions (1909 and 1910) of this book. The Plan of Reorganization provided for the formation of a new company and for the issuance of \$35,000,000 First and Refunding Mortgage 5% bonds, due 1961, and \$16,000,000 stock.

The bonds are secured by a mortgage upon all the property, including the stock and bonds on property of the John L. Roper Lumber Co. Bonds under the mortgage are issuable (total, \$35,000,000):

General Corporate purposes .....	\$8,100,000
To retire Underlying Bonds .....	3,130,000
Extensions, Betterments, Equipment, etc...	*23,770,000

*\*\$10,000,000 of which can be issued only upon the approval of three-fourths of the directors and a majority of the stockholders.*

\$12,894,000 of the authorized bonds were issued to June 30, 1915, and the proceeds used to retire \$4,360,000 6% Notes and \$5,403,000 5% Notes, and the balance to provide funds for corporate purposes, equipment, etc.

The capital stock of \$16,000,000 was appropriated approximately as follows: \$1,142.80 in stock for each \$1,000 of old First and Refunding Mortgage bonds deposited. In this way it was intended to recognize on the basis of par in stock, the original cash investment in the property.

The fixed charges of the reorganized company amounted to \$583,344 in 1910-11, as against charges in excess of \$1,000,000 under the former basis of capitalization.

#### PROPERTY OF COMPANY.

The steam lines and extensions of this company's railroad system comprised about 855 miles on June 30, 1915, extending from Norfolk, Va., and Suffolk, Va., on the north, to Edenton, N. C., and by construction of a 9-mile bridge across Albemarle Sound, to New Bern, Beaufort and other important points in eastern North Carolina. Branch lines running east and west connect the main lines with the cities of Raleigh, Goldsboro and Charlotte, N. C., and other important points. In addition, the company operates about 47 miles of electric road (Norfolk to Virginia Beach, Cape Henry, etc.). Furthermore the company owns the entire capital stock (\$1,000,000) and all the bonds (approximately \$5,000,000) of the John L. Roper Lumber Co. This company owns a number of mills with an annual capacity of 150,000,000 feet of timber, together with timber rights on lands (800,000 acres, of which 600,000 acres owned in fee) containing 3,000,000,000 feet of standing timber; also about 150 miles of fully equipped standard gauge logging railroads. The value of the properties of the John L. Roper Lumber Co. has been estimated at an amount exceeding \$10,000,000.

In November, 1911, the Norfolk Southern R. R. acquired control of three railroads, all in North Carolina, namely the Aberdeen

& Ashboro Ry. extending from Aberdeen to Ashboro (57 miles), with various branches (48 miles); the Durham & Charlotte R. R. extending from Troy (on the Aberdeen & Ashboro Ry.) to Colon on the Seaboard Air Line Ry. (50 miles), with certain additional mileage graded, and the Raleigh & Southport Ry. extending from Raleigh (where connection is made with the Norfolk Southern R. R.) to Fayetteville (64 miles); in 1912-13 a connecting line (22 miles) was completed from Varina on the R. & S. Ry. to Colon. The three above companies were consolidated in 1911-12 into the Raleigh, Charlotte & Southern Ry. An extension westward from Mt. Gilead (on the Aberdeen & Ashboro Ry.) to Charlotte (53 miles) was completed in October, 1913. The Charlotte extension, it is expected, will in time add largely to the Norfolk Southern R. R.'s revenues. Extensive terminal facilities have been secured in the City of Charlotte.

On the table page of this book the revenues of the rail lines only are shown. The results of the Norfolk Southern R. R. Electric Division were as follows:

	Gross	Net	Surplus
N. S. R. R. Elec. Div. (47 miles)..	\$250,213	\$30,367	\$16,548
The combined earnings of the above lines and of the Norfolk Southern R. R. steam division were: Gross, \$3,875,875; Net, \$901,998; Deficit, \$189,491.			

## GENERAL.

On February 1, 1912, \$6,000,000 5% Collateral Notes were sold to provide funds for the acquisition and completion of the Raleigh, Charlotte & Southern Ry. properties and for the purchase of equipment. These Notes were cancelled in 1912 and in 1913.

The John L. Roper Lumber Co. earned in 1914-15: Gross, \$1,486,509; Loss from Operation, \$41,080; and Deficit, \$106,873 (Profit \$113,683, 1913-14); 92,363,676 feet of lumber, logs, etc., were sold during the year.

Products of Forest contributed 46.2% of the entire freight tonnage in 1914-15.

The balance sheet of the Norfolk Southern R. R. as of June 30, 1915, showed Working Assets, \$719,923, and Working and Accrued Liabilities, \$652,334.

## NORFOLK &amp; WESTERN RY.

See Table, page 142.

The preferred stock is limited to non-cumulative dividends of 4% per annum.

Dividends are being paid quarterly; on the preferred beginning February, and on the common, beginning March. The common stock received 2% in 1901, and 3½% in 1902, the dividend in December, 1902, having been a semi-annual dividend of 1½%. 3% per annum was paid to December, 1905, when the annual rate was

raised to 4%. In December, 1906, the annual rate was raised to 5%, but in June, 1908, dividend rate was reduced to 4% per annum. In December, 1909, the rate was increased to 5%, and in December, 1911, was increased to 6%.

Appropriations from surplus earnings for betterments, etc., have been made as follows:

1901-2....\$2,500,000	1906-7....\$1,246,652	1911-12....\$1,372,065
1902-3.... 2,500,000	1907-8.... 1,360,000	1912-13.... 1,553,068
1903-4.... 2,000,000	1908-9.... 1,730,580	1913-14.... 2,093,918
1904-5.... 2,250,000	1909-10... 3,573,598	1914-15.... 1,534,095
1905-6.... 2,950,000	1910-11... 2,597,109	

In addition, large sums have been advanced annually to provide for deficiency of interest on N. & W.—Pocahontas Joint bonds.

#### COAL PROPERTIES.

In 1901 the Norfolk & Western Ry. acquired the capital stock of the Pocahontas Coal & Coke Co. and joined with that company in the issue of \$20,000,000 4% Purchase-Money Mortgage bonds, due December 1, 1941, in settlement for the purchase by the Coal Company of its lands and interest in lands. On June 30, 1915, \$17,723,000 bonds of this issue were outstanding. It is agreed between the Norfolk & Western Ry. and the Coal Company that the latter shall pay the principal and interest on these bonds, but this agreement does not affect the liability of the two companies or either of them to the holders of the bonds. Since 1906, a sinking fund of 2½ cents per ton of coal mined has been set aside for retirement of bonds. The deficiency of interest on these bonds is provided for through an agreement between the Norfolk & Western Ry. and the Pennsylvania Lines West of Pittsburgh, a provision of which agreement is that these companies shall loan to the Pocahontas Company, without interest, in the proportion of two-thirds by the Norfolk & Western Ry. and one-third by the Pennsylvania Lines, such amounts as may be necessary to meet such deficiency.

The Pocahontas Coal & Coke Co. owed, as of June 30, 1915, account of these deficiencies, \$2,066,000 to the Norfolk & Western Ry. and \$1,033,000 to the Pennsylvania Co. There was likewise due by the Coal Company to the Norfolk & Western Ry., \$1,465,000 account of Advances for Property Expenditures. The Coal Company's report showed as of that date a debit balance to Profit and Loss of \$3,083,048.

Bituminous coal contributed 71% of the total tonnage carried in 1914-15, against 68% in 1913-14. Products of Mines contributed about 76% of the total tonnage handled in 1912-13.

There were in operation on this company's lines in 1914-15, 146 coal and coke companies. The number of coke ovens was 13,931.

As previously stated the freight tonnage handled by this road consists very largely of bituminous coal (71% in 1914-15). That

the permanency of this traffic is assured may be assumed from the report made to the National Conservation Commission in 1908. This report stated that there remained available in the coal fields of West Virginia (from which this road obtains its tonnage), 230,389,000,000 short tons, or nearly 4,800 times the total production of 1907. The Norfolk & Western Ry. handled in 1914-15, 23,280,110 tons of bituminous coal.

#### CONTROL

In 1900-1 the Pennsylvania R. R., together with controlled roads, acquired control of this road through purchase of stock. On *December 31, 1905*, \$11,000,000 preferred stock and \$22,830,000 common stock was owned by the Pennsylvania Lines.

Late in 1906 it was announced that the Pennsylvania R. R. had sold to Kuhn, Loeb & Co. all of its holdings in Norfolk & Western Ry. stock, excepting \$3,246,000 preferred and \$6,246,000 common, leaving the amount owned by the various Pennsylvania Lines, \$8,746,000 preferred stock and \$8,746,000 common stock.

In April, 1909, the Pennsylvania R. R. repurchased the Norfolk & Western Ry. stock previously sold (as above stated) to Kuhn, Loeb & Co. On *December 31, 1914*, the Pennsylvania Lines owned \$11,420,000 preferred stock and \$42,377,000 common stock; total \$53,797,000 stock. (See under Pennsylvania R. R.)

#### BETTERMENTS, CONSTRUCTION, ETC.

From the organization of the company October 1, 1896, to June 30, 1915, expenditures to the amount of \$32,492,624 were made from appropriations from income, for railroad lines, etc., equipment and for betterments to the property. The expenditures capitalized during the same period for construction, betterments, equipment, etc., amounted to \$106,630,301.

The above mentioned expenditures and arrangements have added to the company's road 459 miles of main line and branches, 474 miles of second and third track and 816 miles of sidings; and to its equipment 682 locomotives, 206 passenger cars, 31,320 freight cars and 913 maintenance of way cars. Large additions have also been made to its yards, shops, stations and other facilities and appliances. The property has been further improved by revisions of line and grade, by the substitution of permanent bridges or embankments for temporary structures, by additional fencing and ballasting and by multitudinous other additions and improvements.

#### BONDS.

In 1904 there was authorized \$35,000,000 Divisional First Lien and General Mortgage bonds, due 1944. Bonds to be issued under this mortgage shall bear interest at a rate not exceeding 4%. Bonds are subject to redemption after 1929 at 105%. \$23,000,000 of these bonds had been issued to June 30, 1915.

Stockholders in 1906-7 and in 1909-10, were offered the privilege of subscribing at par for \$14,576,000 and \$10,993,000 of an authorized issue of \$34,000,000 4% Convertible bonds. These bonds mature June 1, 1932 (interest June and December). They are subject to call at the company's option on any interest day after June 1, 1917, at 105 and interest and are convertible into common stock of the company, dollar for dollar, to June 1, 1917. Only \$3,409,000 of these bonds remained outstanding June 30, 1915, the balance having been converted into common stock.

Stockholders in 1912, subscribed at par for \$13,300,000 10-20-year Convertible 4% bonds, due 1932 (12½% of respective holdings). The bonds are convertible into common stock at par at any time prior to September 1, 1922, and are redeemable thereafter at 105 and interest. \$12,485,000 of these bonds had been converted into stock prior to June 30, 1915.

Stockholders in 1913, subscribed at 102½ for \$17,138,500 4½% 10-25-year bonds, due 1928 (15% of stock holdings), convertible into common stock at par, until September 1, 1923. \$7,511,000 of these bonds had been converted to June 30, 1915; \$1,213,000 additional of these bonds were in the Treasury June 30, 1915.

#### GENERAL.

Main and second track (2,557 miles, of which 2,029 main track) included, June 30, 1915:

573 miles of 100-pound steel,	112 miles of 67-pound steel,
1,572 miles of 85-pound steel,	40 miles of 60-pound steel,
100 miles of 75-pound steel,	161 miles of lighter weight.

During the year there were established upon the lines of the Norfolk & Western Ry. 40 new industries, against 63 in 1913-14, 103 in 1912-13, 88 in 1911-12, 65 in 1910-11, 88 in 1909-10, 35 in 1908-9, 62 in 1907-8, 121 in 1906-7, and 149 in 1905-6.

On May 1, 1911, there was placed in operation a line known as the Winston-Salem Southbound Ry. extending from Winston-Salem, N. C., to Wadesboro, N. C. (89 miles). This line forms a connecting link between the Norfolk & Western Ry. and the Atlantic Coast Line R. R. The proprietary companies, each owning one-half of the \$125,000 stock, guarantee an issue of this company's 50-year 4% bonds, amounting to \$5,000,000, which were sold in 1911. This company earned in 1914-15: Gross, \$461,089, net after taxes, \$135,813; Deficit, \$112,844.

The balance sheet of the Norfolk & Western Ry. as of June 30, 1915, showed Current Assets, \$15,994,090, and Current Liabilities, \$6,101,852. There was a credit balance to Profit and Loss of \$14,384,134. In addition there was included in Corporate Surplus, \$17,019,102 Additions to Property through Income and Surplus.

## GROWTH IN EARNINGS, CAPITALIZATION, ETC.

A comparison of the statements of the Norfolk & Western Ry. for 1914-15 with those for 1900-1, shows the following changes:

	1914-15	1900-1	Increase
Miles Operated .....	2,042	1,560	482
Gross Earnings .....	\$42,977,044	\$15,854,059	\$27,122,985
Maintenance Expenses ..	14,079,493	4,300,619	9,778,874
Fixed Charges .....	6,788,557	2,658,620	4,129,937
Surplus .....	10,409,905	4,157,831	6,252,076
Dividends Paid .....	7,396,293	1,554,616	5,841,677
Stock Outstanding .....	131,146,200	87,217,700	43,928,500
Bonds Outstanding .....	107,849,500	51,283,500	56,566,000
Miles Second, etc., Track	526 miles	83 miles	443 miles
Miles Sidings .....	1,254 miles	498 miles	756 miles
Ton Miles per Mile of Rd.	4,367,663	1,836,135	2,531,528
Pass. Miles per Mile of Rd.	107,410	55,103	52,307

The amount of equipment on hand June 30, 1915, as against June 30, 1901, compared as follows:

	1915	1901	Increase
Locomotives .....	1,088	471	617
Passenger Cars .....	448	239	209
Freight Cars .....	47,493	19,686	27,807
Work Equipment .....	1,070	502	568
Barges, etc.....	10	13	-3
Total Equipment..	50,109	20,911	29,198

Jointly with the Southern Ry., Seaboard Air Line Ry., Atlantic Coast Line R. R., and Chesapeake & Ohio Ry. this company owns a controlling interest in the stock of the Old Dominion Steamship Co.

An interesting comparison can be made between the earnings, capitalization, etc., of the Norfolk & Western Ry. and the Chesapeake & Ohio Ry.

**RICHMOND, FREDERICKSBURG & POTOMAC R. R.**

See Table, page 143.

The guaranteed stock bears guaranteed interest—\$481,100 at 7% and \$19,300 at 6%. The dividend obligations stand upon the same footing as common stock, except that they do not carry voting power.

Dividends of 9% per annum have been paid for several years on all the stock and the dividend obligations.

In February, 1916, an extra dividend of 50% payable in dividend obligations was declared to holders of stock and of dividend obligations.

In 1901, the Richmond-Washington Co. was incorporated and acquired all of the capital stock and bonds of the Washington Southern Ry. (35 miles) and a majority (\$947,200) of the voting capital stock of the Richmond, Fredericksburg & Potomac R. R. (The Commonwealth of Virginia is likewise a large stockholder in the latter company.) The two roads maintain their corporate existence and their accounts are kept distinct. The Richmond-Washington Co. is owned jointly by the Pennsylvania R. R., Baltimore & Ohio R. R., Atlantic Coast Line R. R., Southern Ry., Seaboard Air Line Ry. and the Chesapeake & Ohio Ry. The Richmond-Washington Co. owns the total outstanding General Mortgage 3½% bonds of 1943, the \$947,200 common stock and \$236,800 dividend obligations of the Richmond, Fredericksburg & Potomac R. R., and the entire issue of stock and bonds of the Washington Southern Ry., and has deposited these securities as collateral to the \$10,000,000 Richmond-Washington Co. Collateral Trust 4% bonds due June 1, 1943. These later bonds are authorized to the amount of \$11,000,000 and are guaranteed, principal and interest, by endorsement by the six proprietary companies, jointly and severally.

Practically the entire main and second-track operated by this company is laid with 100-pound rail.

The following sums have, during the past few years, been appropriated from surplus earnings for Additions and Betterments and for Special Contingent Fund.

Year 1904-5.....	\$100,000	Year 1910-11.....	\$204,394
Year 1905-6.....	158,717	Year 1911-12.....	204,214
Year 1906-7.....	76,000	Year 1912-13.....	270,613
Year 1908-9.....	151,851	Year 1913-14.....	220,881
Year 1909-10.....	277,895	Year 1914-15.....	201,918

The expenditures from February, 1902, to June 30, 1915, for new construction, betterments and equipment amounted to approximately \$4,322,891.

The balance sheet as of June 30, 1915, showed Current Assets, \$1,573,763 and Current Liabilities, \$672,800. There was a credit balance to Profit and Loss of \$1,193,377.

In settlement with the Commonwealth of Virginia of its claim for taxes, this company paid to the Commonwealth and its political subdivisions the sum of \$353,573, which amount was charged to Special Contingent Fund.

### SEABOARD AIR LINE RY.

See Table, page 144.

The preferred stock has priority over the common stock for non-cumulative dividends at the rate of 4% per annum, and is entitled to 2% additional after the common stock receives 4%; thereafter all surplus goes to the common stock. An initial dividend of 1% was declared on the preferred stock November, 1913. In Febru-

ary, May and August, 1914, 1% each was paid. In November, 1914, the dividend was passed. See final paragraphs as to new preferred stock of the Consolidated Co.

In January, 1908, Receivers were appointed for the Seaboard Air Line Ry., there being at that time a considerable floating debt.

#### HISTORY—GENERAL.

As to interest in Richmond-Washington Company, see Richmond, Fredericksburg & Potomac R. R.

As of June 30, 1915, main and second track contained rails as follows:

21 miles of 90-pound steel,	201 miles of 68-pound steel,
317 miles of 85-pound steel,	79 miles of 63½ to 65-lb. steel,
84 miles of 80-pound steel,	434 miles of 60 to 60½-lb. steel,
1,217 miles of 75-pound steel,	478 miles of lighter weights.
163 miles of 70-pound steel,	

The balance sheet as of June 30, 1915, showed Current Assets of \$5,024,583, and Current Liabilities of \$4,829,558. The credit balance to Profit and Loss amounted to \$7,063,271. The company carried as an asset on June 30, 1915 \$10,062,085, representing Un-extinguished Discount on Securities.

\$940,000 of the \$2,040,000 of capital stock of the Macon, Dublin & Savannah R. R. (92 miles) was owned by the Seaboard Air Line Ry. (June 30, 1915), which company guarantees the \$1,505,000 outstanding 5% bonds of that company; also \$185,000 bonds of the Savannah & Statesboro R. R., \$550,000 bonds of the Raleigh & Charleston R. R., \$1,250,000 bonds of the North & South Carolina Ry., \$750,000 Tampa & Gulf Coast R. R. First Mortgage 5% bonds (stock not owned), \$200,000 Notes of the Tampa & Northern R. R., \$2,600,000 Charleston Northern Ry. bonds and \$625,000 South Carolina Western Extension Ry. bonds. (See Macon, Dublin & Savannah R. R.)

In 1911-12, the Seaboard Air Line Ry. acquired at a cost of \$160,000 the \$574,500 stock of the Raleigh & Charleston R. R., operating 55 miles in North and South Carolina (see a following paragraph); also at a cost of \$200,000 the \$250,000 preferred and \$500,000 common stock of the Tampa Northern R. R., operating 60 miles in Florida (Tampa to Brookville, with branches). The latter company, formerly owned by interests associated with the Atlanta, Birmingham & Atlantic Ry., owns valuable terminals in the City of Tampa.

In addition to the bonds named above, the Seaboard Air Line Ry. guarantees jointly with other roads \$12,657,000 bonds including the bonds of the Richmond-Washington Co. and of various bridge and terminal companies. The Seaboard Air Line Ry.'s proportion of the bonds so guaranteed amounts to \$2,265,167.

The Seaboard Air Line Ry. owns the Baltimore Steam Packet



Co., which has no indebtedness of any kind (\$400,000 stock carried at a book value of \$800,229); also \$210,000 stock of the Old Dominion S. S. Co. Surplus earnings from the Baltimore Steam Packet Co. in 1914-15 amounted to \$37,617.

#### ADJUSTMENT PLAN.

On October 4, 1909, an Adjustment Plan was adopted, the main features of which were as follows:

Reorganization without foreclosure.

The original First Mortgage to secure \$75,000,000 4% bonds, of which \$12,775,000 are outstanding, remained undisturbed.

No assessment on common or preferred shares.

Payment of three defaulted coupons on First Mortgage bonds was made out of the funds in the hands of the Receivers.

Creation of a supplemental mortgage to secure an issue of \$125,000,000 4% Refunding bonds (see a following paragraph).

The retirement of Collateral Trust 3-year (\$4,651,000) and 10-year (\$10,000,000) 5% bonds at maturity in 1911.

Merging of the Atlanta & Birmingham Air Line Ry., Florida West Shore Ry. and other subsidiary lines, except the Macon, Dublin & Savannah R. R., with the Seaboard Air Line Ry.

Reduction of Annual Fixed Charges of the enlarged system from \$4,261,775 to \$3,288,710.

Exchange of General Mortgage 5% bonds of 1907 for Adjustment Cumulative Income bonds, dollar for dollar.

Payment of Receivers' Certificates and Floating Debt from proceeds derived from sale of Income bonds.

On November 4, 1909, the control of the company was returned to the stockholders, the company having been reorganized without foreclosure.

The company on November 7, 1909, recorded two mortgages authorized under the Adjustment Plan aggregating \$150,000,000; one mortgage was for \$25,000,000 of 5%, 40-year Adjustment Income (cumulative) bonds, and the other was for \$125,000,000 4%, 50-year Refunding bonds, redeemable at 105 and interest. Of the \$25,000,000 Adjustment (Income) bonds, \$24,979,500 were issued immediately as follows: \$6,979,500 to holders of the General Mortgage 5% bonds (as per Plan) and \$18,000,000 to an underwriting syndicate at 70 less commission, these latter bonds, however, having been offered at 70 to the stockholders of the Seaboard Air Line Ry. and Seaboard Co. (formerly a holding company for Seaboard Air Line Ry. stock—since dissolved) to the extent of 30% of their total holdings. The full semi-annual interest of 2½% was paid on the Adjustment bonds in August, 1910, and has been paid regularly since that date.

\$24,010,000 of the Refunding bonds have been sold largely to retire Collateral Trust 5% bonds mentioned above, and to retire Equipment Obligations and for betterments, etc. (see following).

The First Mortgage 4% bonds are subject to call at par, they having been so stamped in accordance with the terms of the Adjustment Plan. In no event may additional bonds under this mortgage be issued to an amount exceeding \$5,500,000.

The new Income 5% bonds are subject to call at par and their lien is subsequent to that of the Refunding Mortgage, also to that of the new First and Consolidated Mortgage 6% bonds (see second paragraph following).

In March, 1913, the Seaboard Air Line Ry. issued \$6,000,000 5% Notes. These Notes were retired at maturity, March 1, 1916 (see following).

#### FIRST AND CONSOLIDATED MORTGAGE.

Under date of September 1, 1915, the Seaboard Air Line Ry. Co. authorized a new First and Consolidated Mortgage for \$300,000,000. A total of \$25,644,000 bonds have been issued under this mortgage bearing interest at the rate of 6% per annum. Of these bonds \$22,894,000 were sold in December, 1915, the remaining \$2,750,000 being held in the Treasury.

These bonds are direct obligations of the Seaboard Air Line Ry. Co., a consolidation of the Seaboard Air Line Ry. and the Seaboard Air Line Ry. Co. (formerly the Carolina, Atlantic & Western Ry.—see a following paragraph), and are secured by a mortgage upon about 416 miles of railroad, including the line extending from Hamlet, N. C., to Charleston, S. C., other lines in South Carolina, and a line under construction of about 86 miles from Charleston to Savannah, Ga. Definite provision has been made to retire all prior mortgages on this mileage, so that this new mortgage will promptly become a first lien thereon. They are further secured by pledge with the Trustee of certain securities, including \$22,361,000 Seaboard Air Line Ry. Refunding Mortgage 4% Bonds (being a majority of those outstanding), a portion of which were subject to an existing pledge under the 5% Notes due March 1, 1916, referred to below. Provision for the payment of these Notes was made. These Refunding Mortgage Bonds are secured by a first lien on about 230 miles and a general lien subject to \$49,830,000 bonds on about 2,817 miles of railroad. The Refunding Bonds pledged are prior in lien to \$25,000,000 Adjustment Mortgage (Income) Bonds.

#### PURPOSES OF PRESENT ISSUE.

The new First and Consolidated Mortgage was authorized as part of a constructive plan to provide for the future financing of

the consolidated system, as the Seaboard Air Line Ry., in common with many other railroads, was dependent upon a mortgage limited to a 4% interest rate and inadequate in other respects. The mortgage securing the present issue contains modern provisions for the issuance of bonds in series, which may vary in maturity and rates of interest and redemption, and in other respects, insuring to the Company the best results under changing financial conditions, and a flexible method of financing its future requirements.

The bonds of the present issue, \$25,644,000, have been or are to be applied as follows:

\$17,169,000 for the construction of the Charleston-Savannah line, for the retirement of \$6,000,000 Seaboard Air Line Ry. 5% Notes due March 1, 1916, for the purchase of \$1,700,000 Refunding Mortgage Bonds, being part of the \$22,361,000 bonds pledged under the mortgage, for the retirement of equipment and other obligations, for expenditures for betterments, improvements and acquisitions of property, and for other purposes of the consolidated company;

\$5,725,000 for the retirement of an equal amount of various issues of first mortgage 6% bonds of the Carolina, Atlantic & Western Ry.;

\$2,750,000 for the treasury of the Company, being reimbursement for betterments and improvements made prior to the date of this mortgage.

#### RESTRICTIONS AS TO FUTURE ISSUANCE OF BONDS.

Approximately \$75,453,000 of the remaining bonds are reserved for refunding practically the entire debt of the system, except Adjustment Mortgage Bonds, and the rest of the issue is reserved for betterments and improvements, additions, acquisitions, and extensions, made after June 30, 1915, refunding or payment of liens on after acquired property, and retirement of equipment obligations, all under careful restrictions in the mortgage.

The mileage upon which these bonds are to be secured by a first mortgage includes the new through low-grade main line from Hamlet, N. C., via Charleston, S. C., to Savannah, Ga., which in effect provides the system with a double track between Hamlet and Savannah. The new line via Charleston will have a ruling grade of 0.3% between Savannah and Charleston and 0.5% between Charleston and Hamlet, as compared with the ruling grade on the other main line via Columbia equal to 1.5% between Hamlet and Savannah. This will make possible an increase of 127.5% in the train load between these points, resulting in large savings in operating costs. The completion of the line from Charleston to Savannah will provide the short line between these points. It will also provide the short line from Charleston to Montgomery,

Macon, Columbus, Jacksonville and Tampa, and Southwestern points; and a new short line between Charleston and Atlanta and Birmingham.

In November, 1915, the stockholders of the Seaboard Air Line Ry. voted to consolidate with the Carolina, Atlantic & Western Ry.

## CONSOLIDATED CO.

The Consolidated Company is to have an authorized capital stock of the same amount as the present Seaboard Air Line Ry., viz: \$100,000,000 (par value \$100). Of this authorized amount there is to be issued in exchange for securities of the consolidating companies 272,800 shares of preferred stock and 400,410 shares of common stock. The common stock is to be exchanged par for par for an equal amount of existing common stock of Seaboard Air Line Ry. and Carolina Atlantic & Western Ry.

Of the 272,800 shares of preferred stock 22,800 shares are to be entitled to non-cumulative dividends at and up to the rate of 6% per annum before any dividends are declared on the common stock, and 250,000 shares are to be entitled to substantially the same rights to dividends prior to the common stock as is provided with respect to existing Seaboard Air Line Ry. preferred stock, namely, non-cumulative dividends at and up to the rate of 4% per annum before any dividend is declared on the common stock, and after 4% shall have been declared on the common stock in any year to additional non-cumulative dividends at the rate of 2% in such year, making 6% in all, said stock being hereinafter called for convenience "4% preferred stock." Each share of "4% preferred stock" is to be convertible at the option of the holder on or after July 1, 1916, and prior to July 1, 1921, into preferred stock at par entitled to non-cumulative dividends at and up to the rate of 5% per annum before any dividend is declared on the common stock or at the option of the holder into  $\frac{2}{3}$  of a share of 6% preferred stock and  $\frac{1}{3}$  of a share of common stock. The said 22,800 shares of 6% preferred stock are to be exchanged for an equal par amount of Carolina Atlantic & Western Railway Refunding 5% Gold Bonds, Series A, and said 250,000 shares of "4% preferred stock" are to be exchanged for an equal par amount of the existing Seaboard Air Line Ry. preferred stock. It is provided that all outstanding shares of the preferred stock shall be entitled to dividends in any year without preference or priority in time or order of declaration or payment between any of the shares thereof, but in the ratio of six dollars for each share of 6% preferred stock outstanding to four dollars for each share of 5% preferred stock outstanding and four dollars for each share of "4% preferred stock" outstanding until the 6% preferred stock shall have received dividends at the rate of full 6% and the other preferred shares shall have received dividends at the rate of full 4%, whereafter the 5% preferred stock, if any, may receive an additional amount

up to the amount necessary to provide its full 5% dividend in such year. For such Seaboard Air Line Ry. stock and Carolina Atlantic & Western Ry. stock and Refunding bonds as are owned by the Seaboard Air Line Ry., new stock is to be issued which will be placed in the treasury of the consolidated company.

### SOUTHERN RY.

See Table, page 145.

The preferred stock is limited to non-cumulative dividends of 5% per annum. The company has the right to retire the preferred stock at par.

From January 1, 1897, to January 1, 1908, twenty dividends were paid on the preferred stock, to an aggregate amount of \$23,315,904. In October, 1907, 1½% was paid from accumulated surplus, making the dividends on the preferred stock for the year 1907, 4%, against 5% for each of the years 1902 to 1906 inclusive. No dividends were paid during 1908, 1909 and 1910. In 1911, 2% was paid. In 1912, 4½% was paid. In 1913, 5% was paid. In April, 1914, 2½% was paid; in October, 1914, 2% was paid in 5-year 5% interest bearing scrip. In April, 1915, the dividend was passed.

From the surplus earnings of recent years the following sums have been deducted for improvements:

1903-4.....	\$773,806	1909-10.....	\$52,373
1904-5.....	1,056,549	1910-11.....	66,046
1905-6.....	999,827	1911-12.....	44,989
1906-7.....	536,334	1912-13.....	48,660
1907-8.....	122,707	1913-14.....	91,929
1908-9.....	78,285	1914-15.....	77,188

The increase in mileage operated in 1905-6 was due for the most part to the taking over for operating purposes on December 1, 1905, of 206 miles, the Eastern Division of the Tennessee Central R. R. In July, 1905, the Southern Ry. and the Illinois Central R. R. obtained a three-year option upon practically all the stock and General Mortgage bonds of the Tennessee Central R. R. and all the stock and bonds of the Nashville Terminal Co. This option was not exercised and the companies reverted to their original owners on June 30, 1908.

On January 1, 1909, the Southern Ry. in Mississippi (281 miles) was separated from the System and is being operated separately.

## OWNERSHIP OF SECURITIES OF OTHER COMPANIES.

On June 30, 1915, the Southern Ry. owned securities of other companies operated separately as follows:

	Total Out- standing	Owned by Southern Ry.
Alabama Gt. Southern R. R. preferred	\$3,380,350	\$1,725,000
Alabama Gt. Southern R. R. ordinary	7,830,000	4,605,550
Augusta Southern R. R. preferred...	350,000	296,000
Augusta Southern R. R. common.....	400,000	296,000
Chgo, Ind. & Louisville Ry. preferred..	*5,000,000	*1,936,700
Chgo, Ind. & Louisville Ry. common...	\$10,500,000	*4,903,450
Georgia Southern & Fla. Ry. 1st pfd.	684,000	177,700
Georgia Southern & Fla. Ry. 2d pfd.	1,084,000	319,000
Georgia Southern & Fla. Ry. common	2,000,000	1,693,000
Georgia Southern & Florida Ry. 1st Cons. 4% bonds .....	2,000,000	2,000,000
Mobile & Ohio R. R. com. stock .....	†6,020,600	†5,670,200
Mobile & Ohio R. R. General Mort- gage 4% bonds .....	9,472,000	8,261,000
Virginia & Southwestern Ry. stock..	‡2,000,000	‡2,000,000
Ala., N. O., T. & Pac. Jc. Rys. shares. (a)	‡4,000,000.	(a) ‡425,472
Old Dominion Steamship Co..... (b)	1,500,000	(b) 210,000
Chesapeake Steamship Co. stock.....	400,000	361,713
Carolina & Northwestern Ry. 5% bonds.....	1,528,000	1,528,000
Caldwell & Northern R. R. 5% bonds	543,000	543,000

Among other securities held were \$445,000 Richmond-Washington Co. stock, \$2,000,000, New Orleans Terminal Co. stock, \$16,600 Southwestern Construction Co. stock, etc.

\*The Louisville & Nashville R. R. owns an equal amount of stock. To acquire this stock these companies issued (July, 1902) \$11,827,000 4% 50-year joint bonds, secured by \$3,873,400 preferred stock and \$9,796,900 common stock of the Chicago, Indianapolis & Louisville Ry.

†Controlled through ownership of stock and bonds purchased in 1901. See Mobile & Ohio R. R. The Southern Ry. received in 1914-15 about \$226,808 dividends on Mobile & Ohio R. R. stock owned, and paid out \$226,808 dividends on its Mobile & Ohio R. R. Stock Trust Certificates.

‡Acquired 1906.

(a) This is the Southern Ry.'s proportion (one-fourth) of 63,785 preferred "A" shares and 106,404 deferred "B" shares owned jointly by the Southern Ry., Alabama Great Southern R. R., Cincinnati, New Orleans & Texas Pacific Ry. and Mobile & Ohio R. R. The three last named companies are controlled by the Southern Ry. directly or indirectly. The holdings of the

*Southern Ry. system in the stocks of the Alabama, New Orleans, Texas & Pacific Jc. Rys. (£1,701,910) is equal to over 42.5% of the total. The Alabama, New Orleans, Texas & Pacific Jc. Rys. controls through stock ownership the Alabama & Vicksburg Ry., New Orleans & Northeastern R. R. and the Vicksburg, Shreveport & Pacific Ry. (see these companies), and also owns a large interest in the Cincinnati, New Orleans & Texas Pacific Ry.*

(b) *Additional stock of this company was held June 30, 1915, as follows: Seaboard Air Line Ry., \$210,000; Atlantic Coast Line R. R., \$120,000; Chesapeake & Ohio Ry., \$120,000; Norfolk & Western Ry., \$210,000.*

The Alabama Great Southern R. R., the Cincinnati, New Orleans & Texas Pacific Ry., the Mobile & Ohio R. R., the Virginia & Southwestern Ry., and the Georgia Southern & Florida Ry. are operated separately. The five roads comprise over 2,200 miles of road.

Jointly with various railroad companies, the Southern Ry. guarantees as to principal and interest, bonds of various terminal station and bridge properties (including originally jointly with the Frisco, the \$14,000,000 4% bonds of New Orleans Terminal Co.) to the total amount of about \$36,822,780. The Southern Ry.'s proportion of these guaranteed bonds amounts to a total of about \$12,309,260.

#### FINANCIAL AND GENERAL

In 1906, a new mortgage was authorized, the Development and General Mortgage, securing 50-year 4% bonds of an authorized amount of \$200,000,000. Under this mortgage \$15,000,000 were issued immediately to reimburse the company for previous extraordinary expenditures, not theretofore capitalized, and \$185,000,000 were reserved for specific purposes, including \$99,834,000 to provide for future acquisitions and betterments, and \$65,166,000 to retire existing bond and equipment obligations. To June 30, 1915, there had been issued, under this new mortgage, bonds to the amount of \$93,456,000. Bonds under this mortgage have been issued approximately as follows: 1905-6, about \$15,000,000; 1906-7, \$8,852,000; 1907-8, \$12,341,000; 1908-9, \$24,186,000; 1909-10, \$6,777,000; 1910-11, \$6,131,000; 1911-12, \$6,195,000; 1912-13, \$6,130,000; 1913-14, \$6,131,000; 1914-15, \$456,000. There remained in the treasury unpledged on June 30, 1915, \$15,912,000 of these bonds, while an additional \$16,667,000 were pledged as collateral for Notes. A part of the proceeds from the sale of bonds issued under this mortgage in 1908-9 was used to pay off \$16,000,000 Collateral Trust Five-Year Notes, which matured April 1, 1909.

In 1908, \$15,000,000 Three-Year 6% Convertible Notes due May 1, 1911, were issued. The Notes were called for payment in 1909. \$10,000,000 Three-Year 5% Notes were sold in January, 1910.

These Notes matured February 1, 1913, and were paid off. The proceeds were used to retire \$10,000,000 of an issue of \$15,000,000 Three-Year 5% Notes which matured February 1, 1910.

\$5,000,000 Three-Year 5% Notes were sold under date of February 1, 1913. The proceeds derived from the sale of these Notes together with treasury funds available were used to retire the \$10,000,000 Notes due 1913. These Notes were paid off at maturity from treasury funds, no new securities being issued to refund same.

In February, 1914, \$10,000,000 5% Notes, due March 2, 1917, were sold. These Notes are secured by \$16,667,000 Development and General Mortgage 4% bonds. See a following paragraph regarding the issue of \$5,500,000 Atlanta & Charlotte Air Line Ry. 4½% bonds, due 1944.

In 1913-14 there was charged to Profit and Loss \$189,320, representing net discount on securities sold; these charges extinguished the discount on bonds. Similar charges were made in 1912-13, 1911-12, 1910-11, 1909-10 and in 1908-9, to the amounts of \$110,350, \$1,716,680, \$3,125,815, \$3,098,269 and \$3,721,714, of which \$12,017, \$60,043, \$125,815, \$266,809 and \$535,214 respectively, were deducted from Gross Income.

In 1914-15, 492 miles were operated under trackage rights. The balance of the mileage operated, consisted, June 30, 1915, of:

2,285 miles of 85-pound steel,	134 miles of 65 to 68-pound steel,
1,311 miles of 80-pound steel,	933 miles of 60 to 62-pound steel,
1,159 miles of 75-pound steel,	964 miles of 56 pounds and less.
199 miles of 70-pound steel,	

On June 30, 1915, Current Assets were \$19,248,003 and Current Liabilities were \$12,684,712.

HISTORICAL REVIEW.

In a circular, dated June 30, 1914, to holders of Voting Trust Certificates for common and preferred stock of the Southern Ry. the Voting Trustees referred to the growth and progress of the Southern Ry. and the industrial development of the territory served by the railway. Regarding the progress of the railway they stated as follows:

At the close of the first year of its operations on June 30, 1895, Southern Ry. operated ..... 4,392 miles, including the lines (principally within nine States) owned directly, those controlled by ownership of securities and operated by the Company, those leased, those operated under agreements, and those on which trackage rights were exercised.

On June 30, 1913, the miles so operated were ..... 7,037

An increase of ..... 2,645 miles.



In the same period the revenues of the Company have increased as follows:

	1895.	1913.
GROSS REVENUES .....	\$17,114,792	\$69,676,720
Average per mile of road operated .....	\$4,135	\$9,903

Equal to an average annual increase each year over the preceding year of 7.7%.

Income has increased as follows:

	1895.	1913.
Gross Income .....	\$5,141,615	\$21,221,686
Average per mile of road operated..	\$1,242	\$3,016
Increase .....		143%
The deductions from Income, excluding dividends, were .....	\$4,245,870	\$14,191,721
Per mile of road .....	\$1,026	\$2,017
Increase .....		96%
Net Income .....	\$895,745	\$7,029,965
Per mile of road .....	\$216	\$999
Increase .....		361%

The increase in the service performed in attaining these results is shown by the following statistics of the density of freight and passenger traffic:

	1895.	1913.
<b>FREIGHT:</b>		
Ton Miles Revenue Freight..	1,098,932,884	4,577,486,801
Ton Miles Per mile of Road.	265,479	650,617
Increase .....		145%
Freight Revenue Per Mile of Road .....	\$2,613	\$6,388
Increase .....		144%
<b>PASSENGER:</b>		
Passenger Miles .....	178,015,925	844,801,198
Passenger Miles Per Mile of road .....	43,005	120,075
Increase .....		179%
Revenues from Passenger Trains Per Mile of Road..	\$1,349	\$3,118
Increase .....		131%

#### FINANCIAL PLANS.

(*Voting Trustees' Circular June 30, 1914.*)

"The plan for the reorganization of the properties controlled prior to 1894 by the Richmond Terminal Co. provided for the creation by Southern Ry. of common stock in the amount of \$120,000,000, and of Non-Cumulative 5% preferred stock in the amount of \$60,000,000, and also for the creation of a First Consolidated Mortgage to secure a total authorized issue of \$120,000,000 of 5% 100-Year Bonds. All of the stock so created and

\$21,911,000 of said First Consolidated Mortgage bonds were issued under the plan, at or immediately after the organization of Southern Ry. Co., to the Reorganization Committee, in exchange for, or were sold for the acquisition of properties or securities of old companies and for a limited credit for improvements. Provision for new capital was made only by the reservation of \$20,000,000 of such First Consolidated Mortgage bonds to be issued, and subsequently they were issued, at the rate of not exceeding \$2,000,000 per annum for additions and betterments which have been made. The remainder of the First Consolidated Mortgage bonds were reserved to acquire and refund underlying bonds of the old companies, and during the period under review such underlying bonds have been retired to the aggregate amount of \$16,621,900. As those old bonds bore various rates of interest, many exceeding 5%, there has resulted an annual saving of 1.31% in interest charges on the capital represented by the bonds so retired.

"The growth of the property soon outstripped this original financial plan, with the result that the lines of railroad acquired during the period from 1894 to 1906 were largely financed through the creation of prior lien and purchase money bonds issued upon the properties acquired. To meet the growing needs for the development of the property, the Development and General Mortgage was created in 1906 to secure a total authorized issue of \$200,000,000 of 50-Year Bonds, to bear interest at a rate not to exceed 4%, and such bonds were appropriated by the terms of the mortgage to refund Divisional Prior Lien Bonds upon properties acquired since the First Consolidated Mortgage was created, and to provide new capital for additions and betterments at a rate of not exceeding \$5,000,000 per annum. There have been marketed, and are now outstanding (at time of preparation of Voting Trustees' Circular) in the hands of the public, Development and General Mortgage Bonds aggregating \$61,333,000, while \$26,557,000 additional of such bonds have been taken into the Treasury of the Company to represent expenditures made for additions and betterments to the property out of current revenues of the Company. Pending the marketing of these bonds, various issues of short term notes have been made, all of which have been retired except \$5,000,000, which will mature in 1916, and \$10,000,000 which will mature in 1917.

"Negotiations have also been concluded under which the stockholders of the Atlanta & Charlotte Air Line Ry. have consented to the issue by that Company of its First Mortgage bonds to the authorized amount of \$20,000,000, of which \$5,500,000 have been issued and sold (at 95½% and interest), to retire a corresponding amount of outstanding bonds of that Company now pledged under the Southern Ry.'s First Consolidated Mortgage. The

amount so paid to retire such bonds will be available for the completion of the double track on all of the main line between Washington and Atlanta, except the Atlanta and Charlotte Air Line. It is expected that the balance of the \$20,000,000 of bonds so authorized will be sold from time to time during the next five years and the proceeds applied to complete the double track on the Atlanta and Charlotte Air Line, so that the entire main line from Washington to Atlanta, 649 miles, will be double tracked.

"During the same period the proceeds of the \$10,000,000 of short term notes issued by the Southern Ry. during the current year (1913-14) will be applied to the provision of increased yards, shops and other terminal facilities, so that it may now be stated that provision has been made to equip the Southern Ry. with a complete double track main line from Washington to Atlanta and with adequate shops and terminal facilities at its principal terminals.

"The acquisition of additional rolling stock has been financed chiefly through equipment trusts."

#### PHYSICAL DEVELOPMENT.

*(Voting Trustees' Circular, June 30, 1914.)*

"As the result of the financial plans outlined above and the policy followed during the early years of the history of the Company of making additions and betterments to the property through operating expenses and income, expenditures have been made for additions to the Company property from July 1, 1894, to July 1, 1913, as follows:

#### BETTERMENTS THROUGH NEW CAPITAL:

New Equipment .....	\$35,539,827
Additions and Betterments, such as double tracks, side and passing tracks, terminals, yards, stations, heavier rail, bridges and improved buildings.....	44,263,176
Real Estate—Right of Way .....	3,869,041
Construction of new lines and extension of existing lines .....	10,731,421

\$94,403,465

#### BETTERMENTS THROUGH INCOME:

Various improvements, additions and betterments, the cost of which was charged against operating expenses or income, representing the expenditures, over and above ordinary maintenance expenses, of approximately .....

30,000,000

Total. (say) .....

\$124,403,465

These expenditures have secured results of physical development which may be stated generally as follows:

On June 30, 1895, the entire operating mileage was single track. On June 30, 1913, 385.39 miles of double track, largely equipped with automatic signals, had been provided on grades and alignment substantially revised in the interest of economical operation, and in addition the ratio of side track mileage to total main miles operated, excluding trackage rights, had increased from 16.52% in 1895 to 35.02% in 1913.

All the old iron rail in track has been replaced with steel of modern section and increased weight.

Wooden bridges have been generally replaced with steel structures.

Many of the principal terminals, both passenger and freight, have been enlarged and reconstructed, and modern freight classification yards and terminals have been provided at several places.

Modern shops have been constructed at Coster, Tenn., and at Spencer, N. C., and existing shops at other points have been enlarged and modernized.

There is much more work of this general character to be undertaken to keep the plant abreast of the commerce which it may be expected to handle.

The rolling stock equipment has been increased as shown by the following statement:

	1895.	1913.
Locomotives .....	623	1,632
Passenger-Train Cars .....	487	1,157
Freight-Train Cars .....	18,924	49,512
Freight-Train Cars per mile of road operated.....	4	7

The new equipment provided is of largely increased power and capacity and of modern construction."

#### FINANCIAL RESULTS.

(*Voting Trustees' Circular June 30, 1914.*)

"The growth of the investment and of the financial resources of the Company is indicated by the following figures:

#### PROPERTY INVESTMENT:

	1895.	1913.
Road .....	\$228,639,979	\$307,962,970
Equipment .....	6,010,803	65,502,224
Securities .....	7,609,801	68,151,367
Material and Supplies, including rail leased .....	919,430	5,744,877
Advances to proprietary companies..		408,235
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	\$243,180,013	\$447,769,673

Per mile of road:		
Owned .....	\$85,565	\$103,481
but in view of the fact that much of the property invest- ment represents the securities of lines included in the op- erated system, but not owned directly, this can be stated more fairly as		
Owned, Controlled and Leased.	\$55,992	\$67,331
The current or working assets and liabilities of the Company for the two periods, not included in the above investments, were:		
	1895.	1913.
Current assets, including bonds issued or assumed, in Treasury unpledged .....	\$3,851,022	\$40,826,418
Current Liabilities .....	3,172,379	13,665,017
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Balance Current Assets .....	\$678,643	\$27,161,401

In considering these figures it may be noted that the Company has, since its organization, pursued the policy of stating its operations, both revenues and expenses, on basis of accruals and of making provision in its operating results for all direct liabilities, so far as known. To this end, it created, and during its life has maintained, a system of reserves through the medium of which all known but unmatured operating liabilities have been currently charged to either revenues or expenses.

The credit balance in this account on June 30, 1895, was	\$445,314
On June 30, 1913, it was .....	\$3,172,190
In addition to which there has been written off to op- erations depreciation on equipment to the extent of	\$14,321,747
And provision has been made for unmatured interest, rents and taxes, to the extent of .....	\$2,554,226
A fire insurance fund has also been created, which consists of an accumulation of net premiums and interest accrued on the fund's investments, aggre- gating .....	\$989,354
Represented, as of June 30, 1913, by current interest bearing securities...	\$868,290
Cash .....	121,064
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The credit balance in Profit and Loss, after making provision therein for the reserves above referred to and after charging off \$12,502,967, representing the entire net discount on securities of the Company sold, was

On June 30, 1895 .....	\$895,745
And on June 30, 1913, it was .....	17,374,558

During the period the Company has paid aggregate dividends on its preferred stock amounting to \$30,758,904, equal to an average of 2.76 per cent. per annum."

CO-OPERATION IN THE DEVELOPMENT OF THE SOUTH.

*(Voting Trustees' Circular, June 30, 1914.)*

"The Southern Ry. maintains a Land and Industrial Department the purpose of which is to check emigration from, and to influence immigration to, the South, and at the same time to serve as a clearing house of information of industrial opportunities and to promote the establishment and development of manufactures in the Southern States.

Under the influence and co-ordinated effort of this Department the movement of people into the South has reached substantial proportions and is steadily on the increase.

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VIRGINIA & SOUTHWESTERN RY.

See Table, page 146.

The entire capital stock (\$2,000,000) is owned by the Southern Ry. An initial dividend of 5% was paid in June, 1912. 5% each was also paid in June, 1913, February, June and December, 1914, and June, 1915.

In 1908, \$7,000,000 First Consolidated Mortgage 5% bonds were authorized. These bonds mature April 1, 1958. To June 30, 1915, \$5,000,000 of these bonds had been issued. The balance (\$2,000,000) is reserved to retire the \$2,000,000 First Mortgage 5% bonds, which latter issue is guaranteed principal and interest by the Virginia Iron, Coal & Coke Co., which company formerly controlled this company.

In 1914-15, \$70 was appropriated from surplus for additions and betterments, against \$564 in 1913-14, \$1,111 in 1912-13, \$3,259 in 1911-12, \$224 in 1910-11, \$1,012 in 1909-10, \$15,545 in 1908-9, and \$69,893 in 1907-8. In addition to the above, \$20,000 was deducted from Income and \$130,000 charged to Profit and Loss in 1908-9, and credited to Reserve for Maintenance of Way.

In 1914-15, Products of Mines (mostly bituminous coal and coke) contributed 88.7% of the total freight tonnage moved, against 89.9% in 1913-14. Current Assets on June 30, 1915, were \$504,250, and Current Liabilities were \$256,784.

## VIRGINIAN RY.

See Table, page 147.

This company was incorporated in 1904 by the late H. H. Rogers and associates, as the Tidewater Ry. The Virginian Ry. is the successor (March 8, 1907) of the Tidewater Ry.; the Deepwater Ry. was acquired by deed dated April 22, 1907. The railroad as constructed consists of a low grade line from Deepwater, W. Va., via Roanoke, Suffolk and Norfolk to tidewater at Sewall's Point, Va. (441 miles), with various branches (total mileage June 30, 1915, 504 miles). This railroad affords a route to tidewater for coal from the extensive Pocohontas, New River and Kanawha Gas Coal fields and from other coal fields, situated largely in Raleigh and Fayette Counties, W. Va. The company operates a large mileage through these coal fields.

## SECURED NOTES—FINANCIAL PLAN.

To finance in part the cost of this enterprise, \$10,000,000 6% Notes of the Tidewater Co. (the construction company) were issued in 1907. They matured in 1909, but were mostly exchanged for new Notes of an issue of \$17,000,000 (6% Convertible Gold Notes, due June 1, 1913). These latter Notes were called for payment June 1, 1912, at 101 and interest. The new issue of Notes was secured by \$34,800,000 Virginian Ry. First Mortgage 5% bonds (mortgage since cancelled) and by other collateral.

In 1912 a new first mortgage was created. Under the new mortgage (\$75,000,000 authorized) \$29,500,000 50-year 5% bonds, due 1962, have been issued and sold. These bonds are secured by a first mortgage on the entire property. \$45,500,000 of the new bonds are reserved for acquisition of property, etc., under careful restrictions.

At the same time \$27,779,000 cumulative 5% preferred stock was issued (amount authorized \$29,000,000, \$27,955,000 outstanding June 30, 1915), at par in exchange for the following obligations: \$9,800,000 First Mortgage 5% bonds (cancelled); \$3,000,000 Virginian Terminal Ry. 5% bonds (acquired and pledged under new Virginian Ry. First Mortgage); \$4,424,000 Equipment acquired during the year, \$787,500 for redemption of \$750,000 Equipment Notes; \$923,100 in payment of floating indebtedness; \$8,844,400 for interest on bonds, Notes, floating indebtedness, etc. No dividends have been paid on this stock to December 31, 1915.

## GENERAL.

The Virginian Terminal Ry., the stock of which is owned by the Virginian Ry., owns and operates terminal properties located at Sewall's Point, near Norfolk, Va., on Hampton Roads. The terminals consist of 600 acres of land with a waterfront of 3,200 feet, with electrically equipped coal-loading piers, etc.

The line of the railway is so constructed that one locomotive will haul 80 loaded 50-ton coal cars (cars and contents weighing 6,000 tons) from the coal fields to tidewater, except for one nine-mile section. The average haul per ton of freight amounted in 1914-15 to 361 miles (Norfolk & Western Ry. 272 miles). The cost of construction of this railroad is said to have been in excess of \$50,000,000.

As of June 30, 1915, main and second track contained: 41 miles of 100-pound rail; 437 miles of 85-pound rail and 17 miles of 75-pound rail (in branch lines).

The railway was placed on an operating basis July 1, 1909, but a number of coal branches, spurs, etc., remain uncompleted. Earnings have steadily increased since that date. The increase in freight traffic is indicated in the following table:

	Revenue from Freight Traffic	Tons of Freight Handled	% Bituminous Coal to total Tonnage	New Industries Established
1909-10.....	\$1,739,188	1,434,988	64%	152
1910-11.....	3,307,017	2,713,135	79%	34
1911-12.....	4,436,402	3,641,011	85%	72
1912-13.....	5,350,848	4,410,622	85%	63
1913-14.....	5,790,645	4,776,663	86%	45
1914-15.....	5,070,491	4,088,609	88%	33

The Balance Sheet as of June 30, 1915, showed Working Assets of \$2,212,787 and Working and Accrued Liabilities of \$880,800. The credit balance to Profit and Loss was \$3,590,176 on June 30, 1915.

The stockholders voted February 1, 1913, to reduce the amount of common stock outstanding from \$34,850,000 to \$31,271,500, the purpose being to wipe out the Profit and Loss deficit of \$3,578,454. The stockholders surrendered for cancellation 10% of their holdings in common stock.

### WESTERN MARYLAND RY.

See Table, page 148.

The preferred stock is entitled to non-cumulative dividends at the rate of 4% per annum. Dividends were paid (1% quarterly, beginning January) from April, 1910, until October, 1912. In January, 1913, the dividend was passed, it having been found necessary to use all available funds to make improvements on the main line to meet the increased traffic originating on the Connellsville Extension (see a following paragraph).

On March 5, 1908, a Receiver was appointed for the Western Maryland R. R., which company was subsequently reorganized as the Western Maryland Ry. (See below.)



Owned by the VIRGINIAN RY. but in 1907 was purchased by the Tidewater Ry. The Virginian Ry. is the result of the consolidation (March 1, 1907) of the Tidewater Ry.; the Deepwater Ry. and the Norfolk Ry. The railroad as shown on the map consists of a low grade line from Deepwater, W. Va., to Sewall's Point, Va., and from Norfolk and Norfolk to tidewater at Sewall's Point, Va. (Gwynn's). with various branches (total mileage June 30, 1915, 100.00 miles). This railroad affords a route to tidewater for the two extensive Pocohontas, New River and Kanawha Gas fields and from other coal fields, situated largely in Raleigh County, W. Va. The company operates a large fleet of tugboats through these coal fields.

#### SECURED NOTES—FINANCIAL PLAN.

To finance in part the cost of this enterprise, \$10,000,000 6% convertible Gold Notes were issued by the Tidewater Co. (the construction company) were issued in 1909, but were mostly exchanged for 6% Convertible Gold Notes of \$17,000,000 (6% Convertible Gold Notes) in 1912 at 101 and interest. The new issue of Notes was \$17,000,000. These latter Notes were called for payment in 1915 by \$14,800,000 Virginian Ry. First Mortgage 5% bonds (the balance cancelled) and by other collateral. A new First mortgage was created. Under the new mortgage \$29,500,000 (authorized) \$29,500,000 50-year 5% bonds, due in 1960, have been issued and sold. These bonds are secured by a First mortgage on the entire property. \$45,500,000 of the new bonds are reserved for acquisition of property, etc., under careful management. At the same time \$27,779,000 cumulative 5% preferred stock was authorized \$29,000,000, \$27,955,000 outstanding June 30, 1915, in exchange for the following obligations: \$9,000,000 6% Mortgage 5% bonds (cancelled); \$3,000,000 Virginian Terminal Ry. 5% bonds (acquired and pledged under new Virginian Ry. First Mortgage); \$4,424,000 Equipment acquired during 1909-1915; \$787,500 for redemption of \$750,000 Equipment Notes; \$884,400 in payment of floating indebtedness; \$8,844,400 for interest on bonds, Notes, floating indebtedness, etc. No dividends have been paid on this stock to December 31, 1915.

#### GENERAL.

The Virginian Terminal Ry., the stock of which is owned by the Virginian Ry., owns and operates terminal properties located at Sewall's Point, near Norfolk, Va., on Hampton Roads. The terminals consist of 600 acres of land with a waterfront of 3,200 feet, with electrically operated coal piers, etc.

These Notes matured February 1, 1913, and were paid off. The proceeds were used to retire \$10,000,000 of an issue of \$15,000,000 Three-Year 5% Notes which matured February 1, 1910.

\$5,000,000 Three-Year 5% Notes were sold under date of February 1, 1913. The proceeds derived from the sale of these Notes together with treasury funds available were used to retire the \$10,000,000 Notes due 1913. These Notes were paid off at maturity from treasury funds, no new securities being issued to refund same.

In February, 1914, \$10,000,000 5% Notes, due March 2, 1917, were sold. These Notes are secured by \$16,667,000 Development and General Mortgage 4% bonds. See a following paragraph regarding the issue of \$5,500,000 Atlanta & Charlotte Air Line Ry. 4½% bonds, due 1944.

In 1913-14 there was charged to Profit and Loss \$189,320, representing net discount on securities sold; these charges extinguished the discount on bonds. Similar charges were made in 1912-13, 1911-12, 1910-11, 1909-10 and in 1908-9, to the amounts of \$110,350, \$1,716,680, \$3,125,815, \$3,098,269 and \$3,721,714, of which \$12,017, \$60,043, \$125,815, \$266,809 and \$535,214 respectively, were deducted from Gross Income.

In 1914-15, 492 miles were operated under trackage rights. The balance of the mileage operated, consisted, June 30, 1915, of:

2,285 miles of 85-pound steel,	134 miles of 65 to 68-pound steel,
1,311 miles of 80-pound steel,	933 miles of 60 to 62-pound steel,
1,159 miles of 75-pound steel,	964 miles of 56 pounds and less.
199 miles of 70-pound steel,	

On June 30, 1915, Current Assets were \$19,248,003 and Current Liabilities were \$12,684,712.

#### HISTORICAL REVIEW.

In a circular, dated June 30, 1914, to holders of Voting Trust Certificates for common and preferred stock of the Southern Ry. the Voting Trustees referred to the growth and progress of the Southern Ry. and the industrial development of the territory served by the railway. Regarding the progress of the railway they stated as follows:

At the close of the first year of its operations on June 30, 1895, Southern Ry. operated ..... 4,392 miles, including the lines (principally within nine States) owned directly, those controlled by ownership of securities and operated by the Company, those leased, those operated under agreements, and those on which trackage rights were exercised.

On June 30, 1913, the miles so operated were ..... 7,037

An increase of ..... 2,645 miles.

In the same period the revenues of the Company have increased as follows:

	1895.	1913.
GROSS REVENUES .....	\$17,114,792	\$69,676,720
Average per mile of road operated .....	\$4,135	\$9,903

Equal to an average annual increase each year over the preceding year of 7.7%.

Income has increased as follows:

	1895.	1913.
Gross Income .....	\$5,141,615	\$21,221,686
Average per mile of road operated..	\$1,242	\$3,016
Increase .....		143%
The deductions from Income, excluding dividends, were .....	\$4,245,870	\$14,191,721
Per mile of road .....	\$1,026	\$2,017
Increase .....		96%
Net Income .....	\$895,745	\$7,029,965
Per mile of road .....	\$216	\$999
Increase .....		361%

The increase in the service performed in attaining these results is shown by the following statistics of the density of freight and passenger traffic:

	1895.	1913.
<b>FREIGHT:</b>		
Ton Miles Revenue Freight..	1,098,932,884	4,577,486,801
Ton Miles Per mile of Road..	265,479	650,617
Increase .....		145%
Freight Revenue Per Mile of Road .....	\$2,613	\$6,388
Increase .....		144%
<b>PASSENGER:</b>		
Passenger Miles .....	178,015,925	844,801,198
Passenger Miles Per Mile of road .....	43,005	120,075
Increase .....		179%
Revenues from Passenger Trains Per Mile of Road..	\$1,349	\$3,118
Increase .....		131%

#### FINANCIAL PLANS.

(*Voting Trustees' Circular June 30, 1914.*)

"The plan for the reorganization of the properties controlled prior to 1894 by the Richmond Terminal Co. provided for the creation by Southern Ry. of common stock in the amount of \$120,000,000, and of Non-Cumulative 5% preferred stock in the amount of \$60,000,000, and also for the creation of a First Consolidated Mortgage to secure a total authorized issue of \$120,000,000 of 5% 100-Year Bonds. All of the stock so created and

\$21,911,000 of said First Consolidated Mortgage bonds were issued under the plan, at or immediately after the organization of Southern Ry. Co., to the Reorganization Committee, in exchange for, or were sold for the acquisition of properties or securities of old companies and for a limited credit for improvements. Provision for new capital was made only by the reservation of \$20,000,000 of such First Consolidated Mortgage bonds to be issued, and subsequently they were issued, at the rate of not exceeding \$2,000,000 per annum for additions and betterments which have been made. The remainder of the First Consolidated Mortgage bonds were reserved to acquire and refund underlying bonds of the old companies, and during the period under review such underlying bonds have been retired to the aggregate amount of \$16,621,900. As those old bonds bore various rates of interest, many exceeding 5%, there has resulted an annual saving of 1.31% in interest charges on the capital represented by the bonds so retired.

"The growth of the property soon outstripped this original financial plan, with the result that the lines of railroad acquired during the period from 1894 to 1906 were largely financed through the creation of prior lien and purchase money bonds issued upon the properties acquired. To meet the growing needs for the development of the property, the Development and General Mortgage was created in 1906 to secure a total authorized issue of \$200,000,000 of 50-Year Bonds, to bear interest at a rate not to exceed 4%, and such bonds were appropriated by the terms of the mortgage to refund Divisional Prior Lien Bonds upon properties acquired since the First Consolidated Mortgage was created, and to provide new capital for additions and betterments at a rate of not exceeding \$5,000,000 per annum. There have been marketed, and are now outstanding (at time of preparation of Voting Trustees' Circular) in the hands of the public, Development and General Mortgage Bonds aggregating \$61,333,000, while \$26,557,000 additional of such bonds have been taken into the Treasury of the Company to represent expenditures made for additions and betterments to the property out of current revenues of the Company. Pending the marketing of these bonds, various issues of short term notes have been made, all of which have been retired except \$5,000,000, which will mature in 1916, and \$10,000,000 which will mature in 1917.

"Negotiations have also been concluded under which the stockholders of the Atlanta & Charlotte Air Line Ry. have consented to the issue by that Company of its First Mortgage bonds to the authorized amount of \$20,000,000, of which \$5,500,000 have been issued and sold (at 95½% and interest), to retire a corresponding amount of outstanding bonds of that Company now pledged under the Southern Ry.'s First Consolidated Mortgage. The

amount so paid to retire such bonds will be available for the completion of the double track on all of the main line between Washington and Atlanta, except the Atlanta and Charlotte Air Line. It is expected that the balance of the \$20,000,000 of bonds so authorized will be sold from time to time during the next five years and the proceeds applied to complete the double track on the Atlanta and Charlotte Air Line, so that the entire main line from Washington to Atlanta, 649 miles, will be double tracked.

"During the same period the proceeds of the \$10,000,000 of short term notes issued by the Southern Ry. during the current year (1913-14) will be applied to the provision of increased yards, shops and other terminal facilities, so that it may now be stated that provision has been made to equip the Southern Ry. with a complete double track main line from Washington to Atlanta and with adequate shops and terminal facilities at its principal terminals.

"The acquisition of additional rolling stock has been financed chiefly through equipment trusts."

#### PHYSICAL DEVELOPMENT.

*(Voting Trustees' Circular, June 30, 1914.)*

"As the result of the financial plans outlined above and the policy followed during the early years of the history of the Company of making additions and betterments to the property through operating expenses and income, expenditures have been made for additions to the Company property from July 1, 1894, to July 1, 1913, as follows:

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## VIRGINIAN RY.

See Table, page 147.

This company was incorporated in 1904 by the late H. H. Rogers and associates, as the Tidewater Ry. The Virginian Ry. is the successor (March 8, 1907) of the Tidewater Ry.; the Deepwater Ry. was acquired by deed dated April 22, 1907. The railroad as constructed consists of a low grade line from Deepwater, W. Va., via Roanoke, Suffolk and Norfolk to tidewater at Sewall's Point, Va. (441 miles), with various branches (total mileage June 30, 1915, 504 miles). This railroad affords a route to tidewater for coal from the extensive Pocohontas, New River and Kanawha Gas Coal fields and from other coal fields, situated largely in Raleigh and Fayette Counties, W. Va. The company operates a large mileage through these coal fields.

## SECURED NOTES—FINANCIAL PLAN.

To finance in part the cost of this enterprise, \$10,000,000 6% Notes of the Tidewater Co. (the construction company) were issued in 1907. They matured in 1909, but were mostly exchanged for new Notes of an issue of \$17,000,000 (6% Convertible Gold Notes, due June 1, 1913). These latter Notes were called for payment June 1, 1912, at 101 and interest. The new issue of Notes was secured by \$34,800,000 Virginian Ry. First Mortgage 5% bonds (mortgage since cancelled) and by other collateral.

In 1912 a new first mortgage was created. Under the new mortgage (\$75,000,000 authorized) \$29,500,000 50-year 5% bonds, due 1962, have been issued and sold. These bonds are secured by a first mortgage on the entire property. \$45,500,000 of the new bonds are reserved for acquisition of property, etc., under careful restrictions.

At the same time \$27,779,000 cumulative 5% preferred stock was issued (amount authorized \$29,000,000, \$27,955,000 outstanding June 30, 1915), at par in exchange for the following obligations: \$9,800,000 First Mortgage 5% bonds (cancelled); \$3,000,000 Virginian Terminal Ry. 5% bonds (acquired and pledged under new Virginian Ry. First Mortgage); \$4,424,000 Equipment acquired during the year, \$787,500 for redemption of \$750,000 Equipment Notes; \$923,100 in payment of floating indebtedness; \$8,844,400 for interest on bonds, Notes, floating indebtedness, etc. No dividends have been paid on this stock to December 31, 1915.

## GENERAL.

The Virginian Terminal Ry., the stock of which is owned by the Virginian Ry., owns and operates terminal properties located at Sewall's Point, near Norfolk, Va., on Hampton Roads. The terminals consist of 600 acres of land with a waterfront of 3,200 feet, with electrically equipped coal-loading piers, etc.

The line of the railway is so constructed that one locomotive will haul 80 loaded 50-ton coal cars (cars and contents weighing 6,000 tons) from the coal fields to tidewater, except for one nine-mile section. The average haul per ton of freight amounted in 1914-15 to 361 miles (Norfolk & Western Ry. 272 miles). The cost of construction of this railroad is said to have been in excess of \$50,000,000.

As of June 30, 1915, main and second track contained: 41 miles of 100-pound rail; 437 miles of 85-pound rail and 17 miles of 75-pound rail (in branch lines).

The railway was placed on an operating basis July 1, 1909, but a number of coal branches, spurs, etc., remain uncompleted. Earnings have steadily increased since that date. The increase in freight traffic is indicated in the following table:

	Revenue from Freight Traffic	Tons of Freight Handled	% Bituminous Coal to total Tonnage	New Industries Established
1909-10.....	\$1,739,188	1,434,988	64%	152
1910-11.....	3,307,017	2,713,135	79%	34
1911-12.....	4,436,402	3,641,011	85%	72
1912-13.....	5,350,848	4,410,622	85%	63
1913-14.....	5,790,645	4,776,663	86%	45
1914-15.....	5,070,491	4,088,609	88%	33

The Balance Sheet as of June 30, 1915, showed Working Assets of \$2,212,787 and Working and Accrued Liabilities of \$380,800. The credit balance to Profit and Loss was \$3,590,176 on June 30, 1915.

The stockholders voted February 1, 1913, to reduce the amount of common stock outstanding from \$34,850,000 to \$31,271,500, the purpose being to wipe out the Profit and Loss deficit of \$3,578,454. The stockholders surrendered for cancellation 10% of their holdings in common stock.

### WESTERN MARYLAND RY.

See Table, page 148.

The preferred stock is entitled to non-cumulative dividends at the rate of 4% per annum. Dividends were paid (1% quarterly, beginning January) from April, 1910, until October, 1912. In January, 1913, the dividend was passed, it having been found necessary to use all available funds to make improvements on the main line to meet the increased traffic originating on the Connellsville Extension (see a following paragraph).

On March 5, 1908, a Receiver was appointed for the Western Maryland R. R., which company was subsequently reorganized as the Western Maryland Ry. (See below.)

Collateral Loans due April 1, 1908, amounting to \$3,776,750, went to default and the collateral, consisting of \$5,037,000 First Mortgage 4% bonds, was sold, being entirely or mostly purchased by a syndicate. Coupons on the \$42,518,000 First Mortgage 4% bonds and the various underlying bonds were regularly paid at maturity. The interest on \$10,000,000 General Lien and Convertible 4% bonds was defaulted in April, 1908. (See following.)

#### HISTORY OF COMPANY.

The operations of the Western Maryland R. R. until 1902 were restricted to the transportation requirements of a local territory in Maryland and southeastern Pennsylvania. In that year the company purchased the control of the stock of the West Virginia Central & Pittsburgh Ry., operating railroads and owning over 135,000 acres of coal lands in West Virginia. In the interval succeeding these purchases a connecting line between the Western Maryland R. R. and the West Virginia Central & Pittsburgh Ry. was constructed, and tidewater terminals at Baltimore were acquired and constructed.

From 1902 to 1906 various supplementary acquisitions and mergers were made. The outstanding balances of the capital stocks of the West Virginia Central & Pittsburgh Ry. and the Piedmont & Cumberland Ry. were purchased and the lines of these companies conveyed to the Western Maryland R. R. resulting (with the completion of the Cumberland Extension) in ownership of a line from the tidewater terminals at Baltimore to the termini in West Virginia.

The properties known as the Weaver coal operations, lying adjacent to the then western terminus of the railway at Belington, and a reserve of about 25,000 acres of Pittsburgh vein coal in the Fairmont territory of West Virginia, were acquired.

#### PLAN OF REORGANIZATION.

The reorganization of the Western Maryland R. R. was effected by the organization of a new company (the Western Maryland Ry.), which took over the property of the old company, leaving undisturbed the \$43,518,000 First Mortgage bonds, \$7,859,300 Divisional and Leased Line bonds and \$574,650 Guaranteed Stock.

The new company issued in acquisition of the property of the old company:

\$10,000,000 4% non-cumulative preferred stock (par value \$100), preferred as to dividends and in liquidation, convertible at the option of the holder into common stock at par and redeemable at the option of the company at par; and \$23,959,560 common stock (par value \$100) of an authorized issue of \$50,000,000.

The line of the railway is so constructed that one locomotive will haul 80 loaded 50-ton coal cars (cars and contents weighing 6,000 tons) from the coal fields to tidewater, except for one nine-mile section. The average haul per ton of freight amounted in 1914-15 to 361 miles (Norfolk & Western Ry. 272 miles). The cost of construction of this railroad is said to have been in excess of \$50,000,000.

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proceeds of the Notes were used to purchase additional equipment, terminals and yard facilities, etc., so as to enable the company economically to handle the additional traffic which it was expected would result upon completion of the Pittsburgh connection.

An additional \$3,000,000 Notes due July 1, 1915, bearing interest at 6% per annum were also outstanding. The interest due January 1, 1915, was defaulted on both Note issues likewise the principal was not paid at maturity. Plans are being arranged to refund these Notes and to refinance without foreclosure.

On January 1, 1916, the Western Maryland Ry. paid with interest all coupons in default.

#### GENERAL.

The balance sheet of June 30, 1915, showed Current Assets (including \$734,766 cash, and \$1,051,804 material and supplies on hand), amounting to \$3,162,752. Working and Accrued Liabilities (including \$3,785,000 Loans and Bills Payable) amounted to \$6,428,714.

The balance sheet as of June 30, 1915, showed among the assets of the company, \$12,734,835 Unextinguished Discount on Capital Stock, and \$557,653 Unextinguished Discount on Funded Debt.

As of June 30, 1915, main and second track contained:

509 miles of 90-pound rail,	85 miles of 70-pound rail,
27 miles of 85-pound rail,	58 miles of 60-pound rail,
19 miles of 80-pound rail,	31 miles of 56-pound rail.

As of June 30, 1915, the average weight of rail for the entire system was 83.4 pounds per yard, as against 69.5 pounds on June 30, 1905.

On June 30, 1915, 535 miles were ballasted with stone, 142 miles with cinder and slag, and 52 miles were partly ballasted.

\$46,625,000 of the First Mortgage 4% bonds were outstanding on June 30, 1915.

#### WRIGHTSVILLE & TENNILLE R. R.

See Table, page 149.

The preferred stock carries preference for non-cumulative dividends up to 6% per annum, and shares pro rata with the common stock in all further dividends paid in any year after that stock shall have received 6%. From 1907-8 to December, 1914, inclusive, 6% was paid on both classes of stock. In June, 1915, the dividend was omitted. In December, 1915, semi-annual dividend number 58 (3%) was paid. The omission of the June dividend was due to the cessation of cotton, lumber, naval stores and fertilizer traffic, resulting from the European war. In 1906-7, 10% was paid on both classes, of which 4% was a special dividend. In 1905-6, 11% was paid on both classes, of which 5% was a special dividend. In 1904-5, 12% was paid on both classes, of which 6% was a special dividend. For many years prior to 1904-5, not less than 6% per annum was paid.

On July 1, 1906, the Wrightsville & Tenville R. R. purchased the Dublin & Southwestern R. R., operating 28 miles from Dublin, Ga., to Eastman, Ga. This road was consolidated with the Wrightsville & Tenville R. R. in August, 1907.

To pay for the purchase of the Dublin & Southwestern R. R. and to pay for improvements, etc., the Wrightsville & Tenville R. R. in August, 1907, issued \$250,000 5% bonds, due January 1, 1958, and increased the common capital stock from \$230,000 to \$530,000. \$100,000 of the bonds were sold in 1908 and \$100,000 in 1911; of the remaining \$50,000 bonds \$15,000 were held in the treasury of the company on June 30, 1915, and the balance \$35,000 have been retired.

The company also issued in connection with the purchase of the Dublin & Southwestern R. R., \$64,502 Notes. \$119,968 Notes and Equipment Certificates were outstanding June 30, 1908. All of these had been retired to June 30, 1915.

For a number of years appropriations were made from surplus earnings for improvements, etc. The total amount thus appropriated from 1899-0 to 1908-9, exceeded \$200,000.

The balance sheet as of June 30, 1915, showed Current Assets of \$111,125 (including \$55,817 cash), and Current Liabilities of \$31,965. There was a credit balance to Profit and Loss amounting to \$149,001.

Main track June 30, 1915, consisted of:

27 miles of 60-pound steel,	17 miles of 50-pound steel,
42 miles of 56-pound steel,	16 miles of lighter weights.

The Central of Georgia Ry. owns all the preferred stock and a large amount of common stock. See that company.

### ALABAMA & VICKSBURG RY.

See Table, page 150.

During recent years dividends have been paid on this company's stock as follows (annually September):

'97-'99	'00-'02	'03	'04-'14	'15
5% yearly	6% yearly	9%	7% yearly	5%

A stock dividend of 50% was paid in 1900.

On June 30, 1910, the stock of this company was increased from \$1,050,000 to \$2,100,000, the new stock having been distributed to stockholders pro rata to the extent of 100% of their holdings as a dividend to cover the cost of additions and improvements to the property from July 1, 1899, to June 30, 1909, that were chargeable to capital, but which were paid for out of income. The additions and improvements so capitalized cost \$1,115,492.

CONTROLLED BY THE A., N. O., T. & P. JC. RYS. CO., LTD.

An English company, the Alabama, New Orleans, Texas and Pacific Junction Rys. Co., Limited, controls by ownership of se-

curities, this company, also the Vicksburg, Shreveport & Pacific Ry. and the New Orleans & North Eastern R. R., which see. The English company owns the following securities of these roads:

*Alabama & Vicksburg Ry.* \$30,000 First Mortgage bonds, \$343,400 Second Mortgage bonds, \$141,100 Consolidated First Mortgage bonds and \$1,168,000 stock;

*New Orleans and North Eastern R. R.* \$5,445,000 General Mortgage bonds, \$1,500,000 Income bonds and \$5,328,700 stock;

*Vicksburg, Shreveport & Pacific Ry.*, \$1,613,000 General Mortgage bonds, \$2,080,100 preferred and \$2,773,500 common stock.

The English company also owns \$448,700 of \$3,000,000 stock of the Southwestern Construction Co., the latter being a holding company for the stock of the Cincinnati, New Orleans & Texas Pacific Ry. (which see). The Alabama, New Orleans, Texas & Pacific Junc. Rys., Ltd., has outstanding 150,000 shares and 250,000 shares (par \$10) of the Preferred "A" stock and Deferred "B" stock. 63,785 Preferred "A" shares and 106,404 Deferred "B" shares (over 42½% of total) are owned jointly by the Southern Ry., Alabama Gt. Southern R. R., Cincinnati, New Orleans & Texas Pacific Ry. and Mobile & Ohio R. R. The three last named companies are controlled by the Southern Ry. The Preferred "A" shares paid 4½% in dividends in 1912, 3½% in 1913 and 4½% in 1914. No dividends were paid in 1915. This stock is entitled to 6% per annum cumulative. About 176% is in arrears.

#### MISCELLANEOUS.

The lands unsold on June 30, 1915, aggregated 3,196 acres. There were sold during the year 80 acres for \$280.

On June 30, 1915, the balance to credit of Profit and Loss Account amounted to \$1,462,161. Current Assets (including \$573,573 cash), were about \$550,000 in excess of Current Liabilities.

Main track on June 30, 1915, contained:

1 mile of 90-pound steel,                      6 miles of 60-pound steel.  
136 miles of 75-pound steel,

During recent years the following appropriations were made from current surplus earnings and from accumulated net revenue, for new equipment, additions and betterments, for purchase of land and for other extraordinary expenditures:

1903-4.....	\$108,790	1909-10.....	\$142,951
1904-5.....	66,207	1910-11.....	225,221
1905-6.....	65,497	1911-12.....	136,032
1906-7.....	87,616	1912-13.....	63,071
1907-8.....	248,707	1913-14.....	178,678
1908-9.....	64,660	1914-15.....	80,344

## ALABAMA GREAT SOUTHERN R. R.

See Table, page 151.

In December, 1905, the Limited Co. referred to below, voted to liquidate; its securities to be exchanged for the securities of the American company. The liquidation was effected in January, 1906.

On June 30, 1905, the capital stock and the debentures of this road were all owned by the Alabama Great Southern Ry., Ltd., of London. The latter company had issued in place thereof its own stock (called "A" shares and "B" shares) and debentures respectively for a like amount. On June 30, 1905, the Southern Ry. owned \$1,725,000 "A" shares and \$4,540,050 "B" shares of the English company, and on June 30, 1915, owned \$1,725,000 preferred and \$4,605,550 ordinary stock of the Alabama Great Southern R. R.

Dividends have been paid as follows:

	05-6	06-7 & 07-8	08-9	09-10	10-11 to 14-15
Preferred (F. & A.)..	*6%	6%	6%	6%	6% yearly
Ordinary (J. & D.)..	0	0	2%	2%	5% yearly

\*In addition there was charged to Profit and Loss \$63,225, representing 2% on preferred stock on account of unfunded arrears of dividends; the payment liquidated in full the arrears.

In 1913-14, this company sold \$2,500,000 First Consolidated Mortgage 5% bonds due December 1, 1943. \$25,000,000 of these bonds are authorized.

The Alabama Great Southern R. R. owned on June 30, 1915, \$833,300 stock of the Southwestern Construction Co., received in exchange for \$833,300 common stock of the Cincinnati, New Orleans & Texas Pacific Ry., also an undivided one-fourth interest in 150,000 shares preferred "A" stock and 250,000 shares deferred "B" stock (42½% of total outstanding) of the Alabama, New Orleans, Texas & Pacific Jc. Rys. (See Alabama & Vicksburg Ry.)

The Alabama Great Southern R. R., jointly with other companies, guarantees, principal and interest, the bonds of the Chattanooga Station Co., the Birmingham Terminal Co., and the interest on the bonds of the Meridian Terminal Co.

On June 30, 1915, Current Assets were \$2,431,862 and Current Liabilities were \$1,328,096.

## CINCINNATI, NEW ORLEANS &amp; TEXAS PACIFIC RY.

See Table, page 152.

In 1901-2, \$2,000,000 of an authorized issue of \$3,000,000, 5% (non-voting) cumulative preferred stock was sold at par to stockholders, the proceeds to be invested during 1902-3 in equip-



ment. In May, 1908, stockholders subscribed at par to \$453,400 additional preferred stock. Dividends are paid on this stock quarterly, beginning March.

A first dividend of 2% was paid on the common stock December, 1903, out of earnings accumulated prior to June, 1903. Since that date dividends have been paid as follows (June and December):

'04	'05	'06	'07 to '10	'11	'12 to '15
2%	5%	5½%	5% yearly	8%	11%

A controlling interest in the stock of this company is held by the Southwestern Construction Co. The latter company is reported to have had outstanding on December 31, 1914, \$3,000,000 stock, of which the Cincinnati, Hamilton & Dayton Ry. owned \$750,600, the Alabama Great Southern R. R. owned \$833,300, the Alabama, New Orleans, Texas and Pacific Junction Rys. Co. (see Alabama & Vicksburg Ry.) owned \$448,700 and the Southern Ry. owned \$16,600. The Southwestern Construction Co. issued its stock in exchange for an equivalent amount of stock of the Cincinnati, New Orleans & Texas Pacific Ry. The Alabama Great Southern R. R., the C. H. & D. Ry. and the Southern Ry. also own respectively \$55,500, \$500 and \$400 C., N. O. & T. P. Ry. stock.

#### TERMS OF LEASE.

The company operates, under lease, the Cincinnati Southern Ry., owned by the City of Cincinnati. In November, 1901, the City of Cincinnati approved contracts for the extension of the former lease, these contracts providing:

1. For the renewal of the lease for a period of sixty years from the termination of the "existing" lease, October 12, 1906.

2. For the issuance of City bonds to the extent of \$2,500,000 the proceeds to be used for terminals and improvements; the railway company to pay as additional rental, interest on these bonds, and in addition 1% per annum to be used as a sinking fund.

3. For a rental after the expiration of the then present lease of \$1,050,000 per annum for twenty years, \$1,100,000 per annum for twenty years and \$1,200,000 for the last twenty years.

4. For the issuance by the company of at least \$2,000,000 additional stock, the proceeds to be invested in property to be used in the operation of the road and to be pledged under the mortgage to secure the rental.

The result of these and other provisions of the company's contracts with the city is that the average annual rental to be paid to October 12, 1923, is \$1,100,307, plus the interest, and a sinking fund of 1% on all bonds issued up to \$2,500,000 as above. The amounts paid by the company as rental since 1901 have averaged from \$1,099,647 to \$1,233,925 (\$1,231,464 in 1914-15).

## GENERAL.

From the surplus earnings of recent years appropriations have been made for new and additional tracks, bridges, etc., as follows:

Year 1904-5.....	\$145,990	Year 1910-11.....	\$606,671
Year 1905-6.....	440,826	Year 1911-12.....	579,342
Year 1906-7.....	115,000	Year 1912-13.....	1,024,649
Year 1907-8.....	340,000	Year 1913-14.....	1,324,564
Year 1908-9.....	678,475	Year 1914-15.....	799,942
Year 1909-10.....	1,475,959		

Maintenance Expenses were in 1913-14 about 192% larger than in 1898-9, as shown below:

	1913-14	1898-9
Average Mileage .....	335	336
Maintenance of Way .....	\$3,340 per mile	\$1,979 per mile
Maintenance of Equipment.....	8,280 "	2,006 "

In 1893-4, Maintenance of Way Expenses averaged \$1,144 per mile.

Practically the entire line is laid with 85-pound rail.

The balance sheet as of June 30, 1915, showed Current Assets (including \$2,284,873 cash and \$466,979 material and supplies) amounting to \$3,556,440 and Current Liabilities amounting to \$1,592,026. There was a credit balance to Profit and Loss of \$6,106,060.

## GULF &amp; SHIP ISLAND R. R.

See Table, page 153.

Dividends of 4% per annum were paid regularly (quarterly beginning January) from April, 1903, to 1910-11 inclusive. 2% each was paid in 1911-12, and in 1912-13. Presumably no dividends have since been paid. The line of railroad operated by this company lies wholly within the State of Mississippi. The main line is 161 miles in length and extends from Jackson via Mendenhall, Saratoga, Hattiesburg and Maxie to tidewater at Gulfport. Branch lines are operated from Mendenhall, via Columbia, to Maxie, 105 miles, and from Saratoga to Laurel, 42 miles.

During recent years new stock has been sold at par as follows: July 1, 1903, to June 30, 1905, \$1,000,000; 1908-9, \$500,000; 1909-10, \$250,000; 1912-13, \$250,000.

The First Refunding & Terminal Mortgage 5% bonds are authorized to the aggregate of \$5,000,000, and have been issued as follows: \$2,750,000 in exchange for old 5% bonds retired, and \$2,250,000 for rail and equipment, and for harbor improvements, etc.; total \$5,000,000. To June 30, 1915, \$749,000 bonds had been purchased for the sinking fund and deposited with the trustees of the mortgage.

Early in 1911, \$1,000,000 General and Refunding 6% bonds were sold. These bonds are dated February 1, 1911, and mature \$200,000

annually, beginning April, 1913. \$400,000 bonds were outstanding on June 30, 1915.

Main track on June 30, 1915 (308 miles), contained:  
 167 miles of 75-pound rail, 38 miles of 65-pound rail,  
 102 miles of 56 and 60-pound rail.

The balance sheet as of June 30, 1915, showed Current Assets amounting to \$422,333, and Current Liabilities amounting to \$317,199.

In 1914-15, Products of Forests contributed 69.4% of the total tonnage, against 82% in 1901-2.

About 82% of the freight tonnage handled originated on the lines of the company.

### LOUISIANA & ARKANSAS RY.

See Table, page 154.

On March 15, 1906, an initial semi-annual dividend of 1½% was paid on the capital stock. This rate of dividend (3% per annum) was maintained until 1909-10, in which year 2½% was paid. This rate was maintained during 1910-11; 1¼% was paid in September, 1911. No dividends have since been paid.

In 1903-4, the capital stock was increased by \$375,000, in 1904-5 by \$1,125,000, in 1908-9 by \$750,000, and in 1910-11 by \$500,000, making the present amount outstanding \$5,000,000.

This company operates 279 miles of railroad. The main line extends from Hope, Ark., via Packton, La., to Alexandria, La. (200 miles, including 7 miles of trackage). An extension from Packton to Wildsville Jc., La. (53 miles), is operated. This line is being extended from the latter point to Vidalia, La., opposite Natchez, Miss., on the Mississippi River (25 miles).

A branch line between Minden, La., and Shreveport, La. (27 miles), was completed in December, 1909. A terminal in Shreveport and a commodious passenger station were completed in 1910-11.

The "Rock Island" uses under contract the Louisiana & Arkansas Ry. tracks from Packton to Pineville, a distance of about 36 miles.

Of the tonnage moved in 1914-15, 61% consisted of logs and lumber, against 88% in 1909-10.

On June 30, 1915, main track operated contained:  
 266 miles of 75-pound rail, 7 miles of 60-pound rail.

On September 1, 1907, an annual sinking fund of \$55,000 became operative, same to be used by the Trustee to purchase First Mortgage 5% bonds at 110 or less. In December, 1912, an increase in the annual sinking fund charges from \$55,000 to \$75,000 was authorized. Bonds so purchased are to be kept alive in sinking fund. The amount of the reserve set aside for the sinking fund (\$82,832) in 1914-15 was charged to Profit and Los Account. As of June 30,

1915, Sinking Fund Reserves amounted to \$652,973. To December, 1915, the company had acquired through sinking fund operations \$692,000 bonds, leaving \$4,504,000 bonds outstanding in the hands of the public. It is expected that about \$110,000 bonds will be retired during 1916.

On June 30, 1915, Current Assets (including \$436,310 Cash and \$144,328 material and supplies) were \$731,278, and Current Liabilities were \$291,445. The credit balance to Profit and Loss was \$1,348,713.

### LOUISIANA RAILWAY & NAVIGATION CO.

See Table, page 155.

No dividends are paid on the stock of this company.

This company operates a line of railroad from New Orleans to Shreveport, La. (305.6 miles), with about 40 miles of branches, etc. The New Orleans, Texas & Mexico R. R. (Frisco System) uses (under contract) the portion of this company's line from New Orleans to Baton Rouge, La. (80.5 miles).

The bonds of this company consist of \$10,545,000 First Mortgage 4½% bonds due July 1, 1953 (\$17,500,000 authorized on present mileage and \$23,000 per mile on future mileage).

It is stated that this line will be extended from Shreveport, La., to Oklahoma City, Okla.

### LOUISVILLE & NASHVILLE R. R.

See Table, page 156.

During recent years dividends have been paid as follows (semi-annually, February and August):

	'00-'04	'05-'07	'08	'09	'10-'14	'15
%.....	5 yearly	6 yearly	*5½	5½	†7	‡5

\*In February, 1908, an extra dividend of 1% was paid in stock of the Louisville Property Co. †Dividend increased to 7% February, 1910. ‡Rate cut to 5% per annum, February, 1915.

### STOCK.

In 1912-13 \$12,000,000 new stock was sold at par to stock holders on the basis of one share of new stock for each five shares held.

### OTHER COMPANIES CONTROLLED.

The Louisville & Nashville R. R. owns \$11,484,100 (about 72%) of the capital stock of the Nashville, Chattanooga & St. Louis Ry. (this includes \$4,306,560 new stock subscribed for in 1913 at par) and a majority of the stock of the Louisville, Henderson & St. Louis Ry., viz.: \$1,471,291 preferred and \$1,721,871 common

stock (mostly purchased in 1904-5). The Georgia R. R. and dependencies (571 miles) are leased jointly by the Louisville & Nashville R. R. and Atlantic Coast Line R. R.

The Louisville & Nashville R. R. and the Southern Ry. jointly, in 1902, purchased a majority of the capital stock of the Chicago, Indianapolis & Louisville Ry. (622 miles), and issued in exchange their joint 4% 50-year bonds. On June 30, 1915, there were outstanding of these joint bonds \$11,827,000, secured by \$3,873,400 preferred stock and \$9,796,900 common stock of that road. In addition to the stocks of the "Monon" deposited as security for the joint bonds, the Louisville & Nashville R. R. owned \$5,000 common stock, held in its treasury. See Chicago, Indianapolis & Louisville Ry.

On June 30, 1915, \$153,250 stock of the Atlanta & West Point R. R. was owned. Likewise the company held one-half interest (Atlantic Coast Line R. R. held other half interest), in \$936,100 of this stock, subject to the Georgia R. R. Lease.

The above lines are operated under separate organizations.

The Louisville & Nashville R. R. owns the Paducah & Memphis Division (254 miles), which is leased to the Nashville, Chattanooga & St. Louis Ry. at 5% on cost of road.

#### BONDS.

In 1905, the company authorized \$50,000,000 Atlanta, Knoxville & Cincinnati Division Mortgage 4% bonds. About \$8,200,000 were reserved to retire underlying bonds at maturity. Total issued to June 30, 1915, \$25,517,000, of which \$772,000 were owned by the Louisville & Nashville R. R.

As of June 30, 1915, there were owned by the Louisville & Nashville R. R. bonds of the company (including the above bonds and \$1,362,000 Unified Mortgage 4% bonds) of a par value of \$19,539,340. Of these \$14,018,340 were held in the treasury; \$4,429,000 were pledged and \$1,092,000 were held in Sinking Funds.

The Louisville & Nashville R. R. guarantees, principal and interest, \$10,000,000 outstanding Consolidated Mortgage 5% bonds, due 1936, of the South & North Alabama R. R. (\$708,000 of which are owned); also guarantees annual dividends of 7½% on the \$3,553,750 stock of the Nashville & Decatur R. R. (\$1,958,850 owned); also guarantees jointly and severally with the Nashville, Chattanooga & St. Louis Ry., principal and interest, the First Mortgage 4% bonds (\$2,535,000) of the Louisville & Nashville Terminal Co., etc. The South & North Alabama R. R. has recently been merged into the System. In February, 1914, \$7,400,000 South & North Alabama R. R. General Consolidated Mortgage 5% (a new mortgage) bonds were sold.

In 1909, the Louisville & Nashville R. R. called for payment its \$23,000,000 5-20-year Collateral Trust bonds. The collateral which secured these bonds (aggregating at par \$29,864,000, in-

cluding \$18,200,000 Unified 4% bonds) was sold at an average price of 99 and interest, netting the company \$29,565,360, which provided for the redemption of the Collateral Trust bonds and the payment of \$6,500,000 3-year Notes due March 1, 1910 (sold in 1907 at 95¼).

Under date of April 1, 1915, the Louisville & Nashville R. R. sold \$7,500,000 of an authorized issue of \$20,000,000 First Mortgage 50-year 5% bonds of the Lexington & Eastern Ry. These bonds are guaranteed principal and interest by the Louisville & Nashville R. R. They are secured by a first mortgage on about 211 miles of road recently constructed to open extensive coal fields in eastern Kentucky. The Lexington & Eastern Ry. has been merged into the L. & N. System.

## GENERAL.

The Atlantic Coast Line R. R. purchased in the latter part of 1902 \$30,600,000 of Louisville & Nashville R. R. stock, and in 1912-13 acquired 51% of \$12,000,000 new stock sold by that company. See under Atlantic Coast Line R. R.

The Construction Account was closed in July, 1894. From that date to June 30, 1907, expenditures theretofore charged to that account were charged to Operating Expenses. The total amount thus charged was \$18,465,716. In 1907-8 and 1908-9, Additions and Betterments to the amount of \$2,557,015 were made and charged to Income Account instead of to Operating Expenses. No appropriations of this character have since been made.

On June 30, 1915, Current Assets were \$24,597,524 (including contained:

1 mile of 141-pound rail,	56 miles of 68-pound rail,
1,051 miles of 90-pound rail,	277 miles of 60 to 65-lb. rail,
25 miles of 85-pound rail,	320 miles of 58¼-pound rail,
1,764 miles of 80-pound rail,	77 miles of lighter weights.
1,239 miles of 70-pound rail,	

On June 30, 1915, Current Assets were \$24,597,524 (including \$9,894,134 cash); and Current Liabilities were \$8,764,348. There was a credit balance to Profit and Loss on that date of \$40,998,117.

A comparison of equipment in service (1905-6 with 1914-15) shows the following changes:

	1905-6	1914-15	Increase
Locomotives .....	745	1,090	345
Passenger Cars .....	535	659	124
Freight Cars .....	36,633	46,710	10,077
Roadway Cars .....	1,289	2,534	1,245
Total Equipment ..	39,202	50,993	11,791

**LOUISVILLE, HENDERSON & ST. LOUIS RY.**

See Table, page 157.

The preferred stock is entitled to 5% per annum. No dividends are being paid.

In 1904-5 the Louisville & Nashville R. R. acquired a majority of the stock of this company. As of June 30, 1915, the Louisville & Nashville R. R. owned \$1,471,291 preferred and \$1,721,871 common stock.

From the surplus earnings for the years 1900-1 to 1908-9 inclusive a total of \$433,670 was appropriated from surplus for improvements. In addition to the above-mentioned sum, \$119,864 was appropriated from the surplus of 1906-7 for "Loss on account wreck of Salt River Bridge."

The balance sheet of June 30, 1915, showed Current Assets, \$237,028, and Current Liabilities, \$534,562. There was a credit balance to Profit and Loss of \$222,293.

Of the total freight tonnage hauled by this road in 1914-15, viz., 1,225,940 tons, 937,764 tons were received from connecting roads and other carriers, and 288,176 tons originated on this road.

In October, 1915, the Louisville, Henderson & St. Louis Ry. authorized \$5,000,000 First Mortgage 5% Consolidated 30-year bonds, of which \$2,500,000 will be reserved to retire the existing \$2,500,000 First Mortgage bonds due 1946 and \$700,000 will be issued immediately to pay floating debt and to provide for improvements, etc.

A Committee which was formed, with Samuel Untermyer of New York as counsel, to represent the interests of the holders of the preferred stock of this company, secured for the minority stockholders who deposited their preferred stock \$38 per share for the same. See 1913 edition of this book.

**MISSISSIPPI CENTRAL R. R.**

See Table, page 158.

The Mississippi Central R. R. acquired in 1908-9, through consolidation, the property of the Natchez & Eastern R. R.; the consolidated company is known as the Mississippi Central R. R. and owns and operates a line of railroad 164 miles in length extending from Natchez, Miss., on the Mississippi River, to a point 14 miles southeast of Hattiesburg, Miss. It is proposed later to extend the line from its present terminus near Hattiesburg to Scranton, a port on the Gulf of Mexico, thus giving to the company the additional advantages of the shipping traffic at the Gulf and a share in the increase in commerce which is expected to develop by reason of the opening of the Panama Canal.

Dividends were paid on the stock of the company as follows: 1904-5, 1½%; 1905-6, 7½%; 1906-7, 6%; 1907-8, 1½%; 1908-9 to 1912-13, none; 1913-14 and 1914-15, 2% annually. The amount of

stock outstanding formerly was \$1,500,000; in 1908-9 it was increased to \$3,940,000.

There are outstanding \$4,100,000 of an authorized issue of \$10,000,000 First Mortgage 5% bonds due July 1, 1949. These bonds are redeemable by a sinking fund of \$300 annually per mile of road operated, at 110 or less, beginning July 1, 1912. Unissued bonds may be issued at \$25,000 per mile to acquire new mileage. The bonds are guaranteed, principal and interest, by the United States Lumber Co. \$166,500 of these bonds were held alive in the Sinking Fund, on June 30, 1915.

The balance sheet of June 30, 1915, showed Current Assets (including \$500,000 Demand Loans and \$47,560 material and supplies), \$807,038, and Current Liabilities, \$133,387.

Of total freight tonnage handled in 1914-15, Products of Forest contributed 87.9%, as against 86.8% in 1913-14, 83.5% in 1912-13, 83.7% in 1911-12, 85.2% in 1910-11, 82.6% in 1909-10, and 74.1% in 1908-9.

### MOBILE & OHIO R. R.

See Table, page 159.

Dividends have been paid in recent years as follows:

1903-4	1904-5	1905-6	1906-7	1907-8	1908-9	1909-10 to 1914-15
2%	4%	5%	5%	4%	5%	4% yearly

The dividend for 1914-15 (4%) was paid June 25, 1915.

In March, 1901, the Southern Ry. purchased a large majority of the General Mortgage 4% bonds and of the capital stock of this road, paying therefor respectively its Mobile & Ohio R. R. Collateral 4% 50-year bonds, and its Mobile & Ohio R. R. (4%) stock trust certificates, dollar for dollar. As of June 30, 1915, the Southern Ry. held \$8,261,000 of the \$9,472,000 General bonds and \$5,670,200 of the \$6,020,600 stock of the Mobile & Ohio R. R. The voting power on \$4,984,200 of the stock is exercised by the General Mortgage bondholders. In 1903-4, the Mobile & Ohio R. R. stock was increased by \$700,000, which was sold to the Southern Ry. at par. The Mobile & Ohio R. R. is operated separately.

See Southern Ry. as to amount paid out in 1914-15 by that company on its certificates and amount received by it as dividend on its holdings of Mobile & Ohio R. R. stock.

The total amount of Equipment Obligations of the Mobile & Ohio R. R. outstanding June 30, 1915, was \$2,901,000. Obligations had been paid to that date to the amount of \$3,085,000.

In 1913, \$2,500,000 St. Louis Division 5% bonds due 1927 were issued and sold. \$500,000 additional are held for account of company. These bonds are a mortgage on the line (159 miles) formerly operated by the St. Louis & Cairo R. R. (merged in 1913) subject to \$4,000,000 St. Louis & Cairo R. R. First Mortgage 4% bonds due 1931 (assumed by Mobile & Ohio R. R.).

In 1914, a new mortgage for \$50,000,000 was authorized. The



proceeds from the sale of \$5,000,000 bonds under this mortgage are to be used to construct a new bridge across the Ohio River at Cairo, Ill.

The following appropriations of an extraordinary nature for equipment, improvements, etc., have been made from surplus:

1900-1.....	\$389,416	1905-6.....	\$716,128	1910-11.....	\$8,335
1901-2.....	417,510	1906-7.....	612,654	1911-12.....	10,751
1902-3.....	334,650	1907-8.....	150,696	1912-13.....	19,803
1903-4.....	451,800	1908-9.....	19,446	1913-14.....	23,738
1904-5.....	581,233	1909-10.....	28,432	1914-15.....	3,238

On June 30, 1915, Current Assets were \$2,673,865, and Current Liabilities (including \$1,455,036 Loans and Bills Payable) were \$3,590,323.

See Southern Ry. regarding interest of this company in stock of the Alabama, New Orleans & Texas Pacific Jc. Rys. which company controls the Alabama & Vicksburg Ry., New Orleans & Northeastern R. R. and Vicksburg, Shreveport & Pacific Ry.

#### NASHVILLE, CHATTANOOGA & ST. LOUIS RY.

See Table, page 160.

Dividends on the stock of this company have been paid in recent years as follows (semi-annually, February and August):

'04	'05-'06	'07	'08	'09	'10-'11	'12	'13-'14	'15
4%	5%	6%	5½%	5%	6%	6½%	7%	5%

In February, 1916, 3% was paid.

In 1912-13 the capital stock was increased to \$16,000,000 by the sale of \$6,000,000 stock at par, the proceeds from the sale of which was used to retire on July 1, 1913, \$6,000,000 7% bonds.

On August 15, 1903, the floating debt, represented on June 30, 1903, by \$282,042 of notes, was paid. On June 30, 1899, the floating debt, including Equipment Notes, was \$1,567,830.

On June 30, 1915, the Louisville & Nashville R. R. owned \$8,802,400 stock of this road, pledged under its Unified Mortgage, and \$2,681,700 of the stock held as a free asset in its treasury; total, \$11,484,100.

The following amounts have been included in operating expenses for additions to property and equipment, which prior to July, 1900, were charged to construction accounts:

Year 1900-1.....	\$229,214	Year 1904-5.....	\$817,735
Year 1901-2.....	465,184	Year 1905-6.....	1,289,421
Year 1902-3.....	1,127,068	Year 1906-7.....	1,527,158
Year 1903-4.....	1,102,200		

During 1907-8, 1908-9 and 1909-10, there were charged to Income Account for Additions to Property, the sums of \$155,037, \$33,115 and \$83,252, respectively. No similar charges have since been made.

All of the bonds of this road mature between January 1, 1916, and April 1, 1928, inclusive. The bonds bear interest of from 5%

to 7%. \$6,300,000 7% bonds matured July 1, 1913, \$7,606,000 outstanding Consolidated 5% bonds mature in 1928. The 7% bonds due 1913 were retired largely from the proceeds of \$6,000,000 capital stock sold to stockholders at par.

Jointly with the Louisville & Nashville R. R., this road guarantees \$2,535,000 Louisville & Nashville Terminal Co. 4% bonds and jointly with four other companies, guarantees \$2,500,000 Memphis Union Station Co. 5% bonds.

The Western & Atlantic R. R. (Chattanooga, Tenn., to Atlanta, Ga., 137 miles) is leased from the State of Georgia until December 27, 1919, at an annual rental of \$420,012.

See Louisville & Nashville R. R. as to lease of the Paducah & Memphis Division.

On June 30, 1915, main track owned (840 miles) and leased (391 miles) contained:

65 miles of 90-pound rail,	54 miles of 60-pound rail,
147 miles of 85-pound rail,	226 miles of 58-pound rail,
450 miles of 80-pound rail,	106 miles of 56 and 52-lb. rail.
182 miles of 68-pound rail.	

The balance sheet of June 30, 1915, exhibited a strong financial condition. Current Assets (including \$780,231 cash) amounted to \$3,281,252, and Current Liabilities amounted to \$1,831,846.

The credit balance to Profit and Loss on June 30, 1915, amounted to \$9,725,837 (as compared with \$1,669,325 on June 30, 1900). The bonded debt of the company was \$9,522,000 on June 30, 1915, against \$17,362,925 bonds and Equipment Notes outstanding as of June 30, 1900. Fixed Charges for 1914-15 were \$1,543,251 as compared with \$1,850,228 in 1899-0; \$16,000,000 stock was outstanding June 30, 1915, as compared with \$10,000,000 stock outstanding June 30, 1900.

### NEW ORLEANS & NORTHEASTERN R. R.

See Table, page 161.

The Income bonds are entitled to interest each year up to 4½% if earned. The full 4½% is being paid.

In 1903, the stock of this road received its first dividend (3%), and since that date dividends have been paid annually as follows:

'04	'05	'06	'07	'08	'09	'10-'11	'12-'13	'14-'15
3%	3½%	5%	6%	4%	5%	6½%	5%	1%

See Alabama & Vicksburg Ry. as to the control of this company held through ownership of securities by the Alabama, New Orleans, Texas & Pacific Junction Rys. Co.

The main and second track is laid with 75-pound rails.

On November 1, 1915, \$1,320,000 6% bonds matured. These bonds were extended to 1940 at 5% per annum.

On June 30, 1915, the credit to Profit and Loss Account was \$1,352,128, represented largely by Current Assets. There was in the treasury on that date cash to the amount of \$1,142,026.

During recent years substantial sums have been expended for additions and betterments, provided from current income accumulated net revenue and sources other than from capital (\$102,821 in 1914-15).

In 1914-15 lumber and logs contributed 37.6% against 37.1% in 1913-14, of the total freight tonnage carried.

### NEW ORLEANS GREAT NORTHERN R. R.

See Table, page 162.

The bonds of this company consisted, as of June 30, 1915, of \$8,248,000 First Mortgage 5s, due 1955, and \$225,000 Equipment bonds.

The lines of this company aggregated on June 30, 1915, 285 miles of road (including 42 miles trackage), as against 93 miles of road operated on June 30, 1909. The main line extends from New Orleans, La., to Jackson, Miss., with branches to Folsom, La., Tylertown, Miss., Columbia, Miss., etc. The New Orleans Great Northern R. R. operates into New Orleans over the line of the New Orleans & Northeastern R. R. (29 miles) and New Orleans Terminal Co. (8 miles); also operates into Jackson, Miss., over the line of the Illinois Central R. R. (4.43 miles).

As of June 30, 1915, main track owned (243 miles), was laid with rail of the following weights:

186 miles of 85-pound steel,	41 miles of 70-pound steel,
16 miles of 60-pound steel.	

The balance sheet of this company as of June 30, 1915, showed Current Assets (including \$97,611 material and supplies) \$416,605 and Current Liabilities \$310,787. The balance sheet also showed as a Unadjusted Debit Item, \$811,385, Unextinguished Discount on Funded Debt.

Products of Forest contributed 71.9% of the total freight tonnage handled in 1914-15, as compared with 79.9% in 1913-14, 81.2% in 1912-13, 81.4% in 1911-12 and 83.7% in 1910-11.

### TENNESSEE CENTRAL R. R.

See Table, page 163.

Receivers were appointed for this company December 31, 1912. On that date there was due \$1,641,380 for interest since January 1, 1909, on the General Mortgage 5% bonds (see below). There was also on that date a floating debt of about \$400,000.

In January, 1915, there was authorized an issue of \$430,000 6% Receivers' Certificates due February 1, to April 1, 1916, for improvements.

This company operates a line of railroad extending from Hopkinsville, Ky. (on the Illinois Central R. R.), southeasterly to Nashville, Tenn. (85 miles), thence easterly 166 miles to Harri-

man, Tenn. At the latter point connection is made with the Southern Ry. and the Cincinnati, New Orleans & Texas Pacific Ry.

The bonds of this company consist of \$12,000 Nashville & Knoxville 6% bonds due 1918, \$4,014,000 (\$4,200,000 authorized) Prior Lien 4% bonds due January 1, 1934, and \$8,353,900 (authorized \$20,000,000) General Mortgage 5% bonds due January 1, 1954.

The Coupon due July 1, 1915, on the Prior Lien 4% bonds, was paid with interest in December, 1915.

The Nashville Terminal Co., the entire \$1,000,000 stock of which is owned by the Tennessee Central R. R., is leased to the Tennessee Central R. R. for 99 years from 1902. This company owns extensive terminals at Nashville, Tenn., and a bridge across the Cumberland River. The company has outstanding \$1,000,000 First Mortgage 5% bonds due 1932.

In July, 1905, an option for three years for the purchase of a majority of the stock and bonds of the Tennessee Central R. R. and Nashville Terminal Co. (leased) was secured jointly by the Illinois Central R. R. and the Southern Ry. On December 1, 1905, the Illinois Central R. R. took over the operation of that part of this railway, from Nashville, Tenn., to Hopkinsville, Ky. (85 miles). The balance of the mileage was taken over by the Southern Ry. On July 1, 1908, operation was resumed by the Tennessee Central R. R., the Illinois Central R. R. and the Southern Ry. having allowed the 3-year option to purchase the road to lapse. The gross receipts of the Tennessee Central R. R. for the three years to June 30, 1908, were \$1,054,008, the operating expenses and taxes were \$1,355,059 and the resulting deficit was \$301,050. The payment of interest and other expenses during the three years involved a further expenditure of \$908,864. \$1,338,000 of the latter company's \$4,014,000 4% bonds were on June 30, 1915, in the treasury of the Illinois Central R. R., and a large portion of the balance (\$2,676,000), was owned by the Southern Ry.

The Profit and Loss account of the Southern Ry. for 1909-10, and of the Illinois Central R. R. for 1908-9 and 1910-11, were debited the sums of \$404,649, \$203,840 and \$470,719, respectively, representing the loss by these two companies on the Tennessee Central R. R. option and interest on its securities.

It has been reported that extensions are projected by the Tennessee Central R. R. from Hopkinsville, Ky., to Paducah, Ky., on the Ohio River (70 miles), and from Harriman, Tenn., easterly to Knoxville, Tenn.

stock at par. The first issue of these bonds, \$32,420,000, was offered in 1904-5 pro rata for subscription to the stockholders at par. In 1905-6 stockholders were given the privilege of subscribing at par for additional bonds of this issue. Under this privilege about \$16,300,000 bonds were sold. These bonds are convertible into common stock at par until June 1, 1918. No new mortgage on lines owned January 1, 1905, shall be made without securing thereunder the convertible bonds of this issue.

#### CONVERTIBLE BONDS ISSUED IN 1907.

In 1907, the stockholders subscribed at par to \$26,056,000 new 10-year 5% convertible bonds (of an authorized issue of \$30,000,000). These bonds were convertible into common stock at par until June 1, 1913. No new mortgage on lines owned January 1, 1907, shall be made without securing thereunder the bonds of this issue.

#### CONVERTIBLE BONDS ISSUED IN 1909.

The "Santa Fe" in 1909 offered to stockholders the right to subscribe to 4% gold bonds, due 1955, convertible into common stock at par until June 1, 1918, at 104 and interest to the amount of 12% of their holdings. The bonds of this issue subscribed for amounted to \$28,258,000.

#### CONVERTIBLE BONDS IN 1910.

Stockholders of record April 19, 1910, were entitled to subscribe at 102½ to \$43,686,000 4% convertible bonds due June 1, 1960, to the extent of 14% of their holdings of stock. These bonds are convertible into common stock at par until June 1, 1923.

All issues of convertible bonds may be called at 110 on any interest day, but when called may be converted into stock provided the time for conversion has not expired.

Of the Convertible 4% bonds, \$40,430,000 were outstanding June 30, 1915, and of the 5% bonds referred to above, \$8,747,000 were outstanding on that date.

To June 30, 1915, \$98,534,000 convertible bonds had been exchanged for common stock. In 1914-15, 1913-14, 1912-13, 1911-12, 1910-11, 1909-10, 1908-9 and 1906-7 exchanges of convertible bonds for common stock aggregated \$4,678,000, \$4,975,000, \$20,707,000, \$1,699,000, \$2,912,000, 43,959,000, \$18,603,000 and \$1,001,000 respectively. These exchanges of bonds have changed the complexion of the capital obligations by extinguishing a large amount of the convertible bonds heretofore outstanding and correspondingly increasing the outstanding common stock. *Through conversion of bonds, the common stock outstanding was increased from \$101,955,500 on June 30, 1905, to \$200,489,500 on June 30, 1915.*

To reimburse itself for expenditures made for additions, betterments and improvements the Santa Fe sold late in 1915 a total of \$9,999,970 preferred stock.

### ATCHISON, TOPEKA & SANTA FE RY.

See Table, page 166.

The preferred stock is entitled to and is limited to non-cumulative dividends of 5% per annum. Dividends on the preferred stock have been paid semi-annually in February and August. The common stock received 6% in 1907, the rate having been raised from 4% to 5% in December, 1906, and to 6% in June, 1907. In June, 1908, dividend rate was reduced to a 5% basis, but in December, 1909, the rate was again increased to 6% per annum. Dividends on the common stock are paid quarterly beginning March.

On June 30, 1909, the Oregon Short Line R. R. (Union Pacific System) owned \$10,000,000 preferred stock of this company, but after the close of the fiscal year this stock was sold. The Union Pacific R. R. received \$10,491,703 for this stock, which originally was acquired at \$10,395,000.

The following amounts have been appropriated from surplus earnings or charged to Profit and Loss for improvements written off, for discount on bonds sold, etc.:

Year 1901-2.....	\$2,500,000	Year 1908-9.....	\$11,029,389
Year 1902-3.....	3,000,000	Year 1909-10.....	4,000,000
Year 1903-4.....	3,000,000	Year 1910-11.....	5,000,000
Year 1904-5.....	1,083,311	Year 1911-12.....	3,482,997
Year 1905-6.....	4,500,000	Year 1912-13.....	5,574,434
Year 1906-7.....	9,600,000	Year 1913-14.....	2,719,318
Year 1907-8.....	1,933,848	Year 1914-15.....	6,513,397

Appropriations are made yearly for the Fuel Reserve Fund (\$54,503 in 1914-15). The balance to the credit of that fund on June 30, 1915, was \$1,832,835.

The following amounts were received in cash as the net proceeds of sales of land, but these amounts were directly written off the book value of Railroads, Franchises and Other Property, and the transactions did not appear in the Income Accounts:

Year 1903-4.....	\$570,400	Year 1909-10.....	\$240,000
Year 1904-5.....	681,306	Year 1910-11.....	240,000
Year 1905-6.....	366,760	Year 1911-12.....	200,000
Year 1906-7.....	200,000	Year 1912-13.....	200,000
Year 1907-8.....	145,616	Year 1913-14.....	120,000
Year 1908-9.....	216,384	Year 1914-15.....	None

Under date of February 1, 1902, \$30,000,000 4% Serial Debentures were issued, the proceeds to be used for construction, improvements, for equipment and for the acquisition of securities of other railway companies, etc. These Debentures matured \$2,500,000 annually February 1, 1903 to February 1, 1914.

#### CONVERTIBLE BONDS ISSUED IN 1905.

The stockholders of the "Santa Fe" in 1905 authorized an issue of \$50,000,000 4% bonds due June 1, 1955, convertible into common

stock at par. The first issue of these bonds, \$32,420,000, was offered in 1904-5 pro rata for subscription to the stockholders at par. In 1905-6 stockholders were given the privilege of subscribing at par for additional bonds of this issue. Under this privilege about \$16,300,000 bonds were sold. These bonds are convertible into common stock at par until June 1, 1918. No new mortgage on lines owned January 1, 1905, shall be made without securing thereunder the convertible bonds of this issue.

#### CONVERTIBLE BONDS ISSUED IN 1907.

In 1907, the stockholders subscribed at par to \$26,056,000 new 10-year 5% convertible bonds (of an authorized issue of \$30,000,000). These bonds were convertible into common stock at par until June 1, 1913. No new mortgage on lines owned January 1, 1907, shall be made without securing thereunder the bonds of this issue.

#### CONVERTIBLE BONDS ISSUED IN 1909.

The "Santa Fe" in 1909 offered to stockholders the right to subscribe to 4% gold bonds, due 1955, convertible into common stock at par until June 1, 1918, at 104 and interest to the amount of 12% of their holdings. The bonds of this issue subscribed for amounted to \$28,258,000.

#### CONVERTIBLE BONDS IN 1910.

Stockholders of record April 19, 1910, were entitled to subscribe at 102½ to \$43,686,000 4% convertible bonds due June 1, 1960, to the extent of 14% of their holdings of stock. These bonds are convertible into common stock at par until June 1, 1923.

All issues of convertible bonds may be called at 110 on any interest day, but when called may be converted into stock provided the time for conversion has not expired.

Of the Convertible 4% bonds, \$40,430,000 were outstanding June 30, 1915, and of the 5% bonds referred to above, \$8,747,000 were outstanding on that date.

To June 30, 1915, \$98,534,000 convertible bonds had been exchanged for common stock. In 1914-15, 1913-14, 1912-13, 1911-12, 1910-11, 1909-10, 1908-9 and 1906-7 exchanges of convertible bonds for common stock aggregated \$4,678,000, \$4,975,000, \$20,707,000, \$1,699,000, \$2,912,000, 43,959,000, \$18,603,000 and \$1,001,000 respectively. These exchanges of bonds have changed the complexion of the capital obligations by extinguishing a large amount of the convertible bonds heretofore outstanding and correspondingly increasing the outstanding common stock. *Through conversion of bonds, the common stock outstanding was increased from \$101,955,500 on June 30, 1905, to \$200,489,500 on June 30, 1915.*

To reimburse itself for expenditures made for additions, betterments and improvements the Santa Fe sold late in 1915 a total of \$9,999,970 preferred stock.

The Atchison, Topeka & Santa Fe Ry. controlled June 30, 1915, through ownership of 99% of its stock, the Grand Canyon Ry. (64 miles); also the Kansas Southwestern Ry. (59 miles) and the Rocky Mountain & Santa Fe Ry. (106 miles). Also the company was interested jointly with other companies in 606 miles additional, including the Leavenworth & Topeka Ry. (45 miles), the Sunset R. R. (50 miles), and the Northwestern Pacific R. R. (511 miles).

The Santa Fe early in 1912 sold \$18,299,695 50-year 4½% bonds (\$50,000,000 authorized), secured by a mortgage on the California, Arizona & Santa Fe Ry. The latter company (\$50,000,000 stock all owned by the Santa Fe) operates a line from Needles, Cal., to Mojave, Cal. (242 miles), and other lines in California and Arizona, the total mileage aggregating about 830 miles. The Needles-Mojave line was acquired in 1911-12 from the Southern Pacific Co. in exchange for the properties of the Sonora Ry. and the New Mexico & Arizona R. R. These last named properties, while under the ownership of the Santa Fe, had been operated by the Southern Pacific under lease.

#### OTHER LINES—RECENT CONSTRUCTION.

The "Santa Fe" has completed a line of railway from Texico, on the New Mexico-Texas boundary to Coleman Jc., a point near Brownwood, Texas; with branches, a total of about 500 miles. This line furnishes railway transportation to a large undeveloped territory, and in connection with the other lines of the System, form the shortest line between San Francisco and Galveston.

In 1907, the Eastern Ry. of New Mexico (250 miles), since merged, and the cut-off from Belen to Rio Puerco (19 miles), was completed. This completed a through route somewhat shorter than the route via Trinidad. It avoids the two mountain ranges between Trinidad and Albuquerque, and is less exposed to interruption by freshets. The entire transcontinental freight business of the company has been transferred to the new low grade line thus created.

In July, 1908, there were sold \$17,000,000 of an authorized issue of \$30,000,000 Transcontinental Short Line 4% bonds due July 1, 1958. The issuance of additional bonds is limited to \$25,000 per mile of main track road.

Early in 1915 the Santa Fe issued \$3,000,000 of an authorized issue of \$20,000,000 Rocky Mountain Division First Mortgage 4% bonds due 1965. The \$3,000,000 bonds were issued to acquire the line formerly operated by the St. Louis, Rocky Mountain & Pacific Ry. (106 miles).

#### OFFICIAL STATEMENTS.

In the annual report of the Santa Fe for 1914-15, it was stated that the Gross Operating Revenues of the company had increased from \$30,621,230 (\$4,752 per mile) in 1896-7 to \$117,665,587 (\$10,586 per mile) in 1914-15. The Surplus for 1914-15 was \$24,130,862, as against \$53,786 for the 18 months ending June 30, 1897.



Referring to various tables of earnings submitted the president said in the annual report for 1914-15:

"The growth of the business of your Company is due principally to the very large expenditures (over \$308,000,000) which have been made in the extension and improvement of the property since January 1, 1896. In order to make such expenditures your Company has raised since 1896 over \$218,000,000 of 'new money' by the sale of bonds which are now outstanding or which (in the case of many of the convertible bonds issued) are represented by common stock now outstanding." The following statement (here given abridged, Ed.) shows the amount of investment, the amount of net income applicable to bond interest, dividends, improvement of property and strengthening of credit, and the rate of return which such net income represents on the amount of the investment:

Year Ending June 30th	Property Investment*	Income Applicable to Bond Interest, Dividends, Improvement of Property and Strengthening of Credit†	Per Cent. of Income Property Investment
1897	\$387,957,478	\$6,070,364	1.57
1902	439,911,035	23,921,018	5.44
1907	519,004,129	32,724,274	6.31
1908	541,727,329	25,633,510	4.73
1909	548,251,271	33,523,437	6.11
1910	579,793,768	32,387,712	5.58
1911	609,287,764	34,102,512	5.59
1912	621,869,989	33,321,101	5.36
1913	640,263,756	36,086,013	5.64
1914	671,814,300	33,070,377	4.92
1915	683,855,314	36,928,030	5.40
Annual Average.	‡\$508,625,495	‡\$24,936,276	‡4.90

\*The amounts above shown as "Property Investment" do not include anything for necessary working capital such as materials and supplies and cash. Ordinarily such necessary working capital considerably exceeds \$35,000,000.

†In the years 1901 to 1908 the "Property Investment" was reduced by "writing off" sums aggregating \$21,066,685.78, which sums are excluded from the "Property Investment" as above stated.

‡The "Income" shown above is determined after allowing for adjustments made through profit and loss.

§Annual average includes year 1896 (six months), also years 1898 to 1901, and 1903 to 1906 not included in table.

"The last statement emphasizes the striking fact that the earnings on the entire investment are now not much more than 5% per

annum and it must be borne in mind that of these earnings it is necessary to appropriate a considerable amount each year for additions and betterments to preserve the company's credits.

The ability of your Company under such circumstances to pay 6% on the common stock is due to the fact that it pays an average of only slightly more than 4% on its bonded debt, and, indeed, much of the bonded debt was created when money could be borrowed at or near 4%."

## GENERAL.

The following statement shows the development of the freight and passenger earnings of the System since July 1, 1896, and the increase per mile in the gross earnings from operations:

	Year 1914-15	Year 1896-7
Freight Earnings .....	\$80,504,393	\$22,067,687
Passenger Earnings .....	27,823,064	5,574,288
Total Gross per mile .....	10,586	4,752

Main and second, third and fourth track on June 30, 1915, contained:

3,447 miles of 90-pound steel,	20 miles of 70 to 71-lb. steel,
2,951 miles of 85-pound steel,	686 miles of 65 to 67-lb. steel,
125 miles of 80-pound steel,	1,601 miles of 60 to 62½-lb. steel,
1,196 miles of 75-pound steel,	1,719 miles of lighter weights.

On June 30, 1915, Current Assets (including \$15,870,460 material and supplies, and \$20,520,792 cash) were \$43,895,458, and Current Liabilities were \$16,923,883. The credit balance to Profit and Loss account was \$20,581,222. The Corporate Surplus as of June 30, 1915, amounted to \$58,838,518. This included \$36,388,061 Additions to Property through Income; \$1,869,237 Reserves, and the credit balance to Profit and Loss (\$20,581,222).

Neither the Santa Fe nor any of its auxiliaries had any notes or bills outstanding on June 30, 1915.

A comparison of equipment, 1902-3 with 1914-15 shows the following changes:

	1902-3	1914-15	Increase
Locomotives .....	1,309	2,105	796
Passenger Cars .....	801	1,738	937
Freight Cars .....	37,552	67,407	29,855
Miscellaneous Cars ....	207	3,608	3,401
Floating Equipment ...	....	12	12
Total Equipment ..	39,869	74,870	35,001

## CHICAGO, ROCK ISLAND &amp; PACIFIC RY.

See Table, page 167.

Under date of April 20, 1915, Receivers were appointed for the Chicago Rock Island & Pacific Ry., owing to inability to finance about \$6,000,000 bills and loans.

## THE EARNING POWER

The following statements show the former Rock Island Company's direct and indirect interest as of June 30, 1909, in securities of other companies which together formed what was known as the Rock Island System of railroads. This system comprised over 14,500 miles of road. Late in 1909 the stock of the St. Louis & San Francisco R. R., carrying with it the control of other companies, was sold to B. F. Yoakum and associates. See below:

## OWNERSHIP OF SECURITIES June 30, 1909.

CHICAGO, ROCK ISLAND &amp; PACIFIC R. R. CO.

(Defaulted interest on bonds May 1, 1914.)

## Stock

Owned by the Rock Island Co. (the entire issue)... \$145,000,000

CHICAGO, ROCK ISLAND &amp; PACIFIC RY. CO

(Receivers appointed April 20, 1915.)

Owned by the Chicago, Rock Island & Pacific R. R. Co.	*70,386,700
Held in treasury (June 30, 1913, \$4,877).....	2,252
Held in exchange for B. C. R. & N. Ry. and R. I. & P. Ry. stock (June 30, 1913, \$122,800).....	140,400
In the hands of the public (June 30, 1913, \$3,518,823)	4,470,648

Total authorized .....	\$75,000,000
*On May 1, 1914, \$71,353,500.	

ST. LOUIS &amp; SAN FRANCISCO R. R. CO.

(Receivers appointed May 27, 1913.)

Owned by the Chicago, Rock Island & Pacific R. R. Co.	Common	\$28,940,300
Held in treasury .....		150
In the hands of the public .....		59,550

Total outstanding .....	\$29,000,000
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CHICAGO &amp; EASTERN ILLINOIS R. R. CO.

(Receivers appointed May 27, 1913.)

Owned by the "Frisco" .....	Preferred	Common
In the hands of the public .....	\$6,050,400	\$7,217,800
	2,780,300	
Total outstanding .....	\$8,830,700	\$7,217,800

## EVANSVILLE &amp; TERRE HAUTE R. R. CO.

(In 1911-12 merged with C. & E. I. R. R. Co.; bonds in default since Receivership of latter company.)

	Preferred	Common
Owned by the C. & E. I. R. R. ....		\$3,161,450
In the hands of the public .....	\$1,283,333	825,933
<b>Total outstanding .....</b>	<b>\$1,283,333</b>	<b>\$3,987,383</b>

‡5% Refunding bonds of the E. & T. H. R. R. was exchanged at par for this preferred stock.

‡In 1911-12 an offer was made to exchange C. & E. I. R. R. preferred stock for this common stock at rate of 83⅓% in former stock.

On June 30, 1913, all the stock of the Chicago, Rock Island & Pacific R. R. was owned by the Rock Island Co. and \$71,353,500 stock of the Chicago, Rock Island & Pacific Ry. was owned by the Chicago, Rock Island & Pacific R. R. Following the sale under foreclosure of the collateral securing the C. R. I. & P. R. R. 4% bonds of 2002 (December, 1914), the C. R. & P. Ry. stock was delivered to the holders of the bonds dollar for dollar. Therefore the Rock Island Co. stockholders no longer have any interest in the C. R. I. & P. Ry.

In December, 1909, the Chicago, Rock Island & Pacific R. R. disposed of its holdings of stock of the St. Louis & San Francisco R. R. to B. F. Yoakum and associates. The separation of these lines, it was said, was made necessary in order to comply with provisions of Federal and State laws, the two roads being considered parallel and competing lines. The Chicago, Rock Island & Pacific R. R. Collateral 5% bonds, due 1913, were called for payment in February, 1910. (See below.)

See under Colorado & Southern Ry. as to interest in Trinity & Brazos Valley R. R. (in Receiver's hands). Large advances have in past years been made to that company of which \$3,729,804 were in 1914-15 written off as worthless. In August, 1907, the Chicago, Rock Island & Pacific Ry. sold to the Toledo, St. Louis & Western R. R. \$6,380,000 preferred, and \$14,420,000 common stock of the Chicago & Alton R. R. On June 30, 1915, there were held in the treasury of the former company the unsold securities received therefor, namely, \$400,000 Series A, and \$5,047,000 Series B Collateral bonds of the Toledo, St. Louis & Western R. R. \$2,500,000 and \$1,210,000 Series A bonds were sold in 1909-10 and in 1910-11 respectively. In 1914-15, the C. R. & P. Ry. wrote off the sum of \$3,615,679, representing the difference in cost price of Toledo, St. Louis & Western R. R. bonds and their present value. On June 30, 1915, the Chicago, Rock Island & Pacific Ry. held \$450,000 Chicago & Alton R. R. preferred

## THE EARNING POWER

The following statements show the former Rock Island Company's direct and indirect interest as of June 30, 1909, in securities of other companies which together formed what was known as the Rock Island System of railroads. This system comprised over 14,500 miles of road. Late in 1909 the stock of the St. Louis & San Francisco R. R., carrying with it the control of other companies, was sold to B. F. Yoakum and associates. See below:

## OWNERSHIP OF SECURITIES June 30, 1909.

## CHICAGO, ROCK ISLAND &amp; PACIFIC R. R. CO.

(Defaulted interest on bonds May 1, 1914.)

## Stock

Owned by the Rock Island Co. (the entire issue)... \$145,000,000

## CHICAGO, ROCK ISLAND &amp; PACIFIC RY. CO

(Receivers appointed April 20, 1915.)

Owned by the Chicago, Rock Island & Pacific R. R. Co.	*70,386,700
Held in treasury (June 30, 1913, \$4,877)	2,252
Held in exchange for B. C. R. & N. Ry. and R. I. & P. Ry. stock (June 30, 1913, \$122,800)	140,400
In the hands of the public (June 30, 1913, \$3,518,823)	4,470,648
<b>Total authorized</b>	<b>\$75,000,000</b>
*On May 1, 1914, \$71,353,500.	

## ST. LOUIS &amp; SAN FRANCISCO R. R. CO.

(Receivers appointed May 27, 1913.)

	Common
Owned by the Chicago, Rock Island & Pacific R. R. Co.	\$28,940,300
Held in treasury	150
In the hands of the public	59,550
<b>Total outstanding</b>	<b>\$29,000,000</b>

## CHICAGO &amp; EASTERN ILLINOIS R. R. CO.

(Receivers appointed May 27, 1913.)

	Preferred	Common
Owned by the "Frisco"	\$6,050,400	\$7,217,800
In the hands of the public	2,780,300	
<b>Total outstanding</b>	<b>\$8,830,700</b>	<b>\$7,217,800</b>

## OF RAILROADS

415

### EVANSVILLE & TERRE HAUTE R. R. CO.

(In 1911-12 merged with C. & E. I. R. R. Co.; bonds in default since Receivership of latter company.)

	Preferred	Common
Owned by the C. & E. I. R. R. ....		\$3,161,450
In the hands of the public .....	\$1,283,333	825,933
	\$1,283,333	\$3,987,383

†5% Refunding bonds of the E. & T. H. R. R. was exchanged at par for this preferred stock.

‡In 1911-12 an offer was made to exchange C. & E. I. R. R. preferred stock for this common stock at rate of 83½% in former stock.

On June 30, 1913, all the stock of the Chicago, Rock Island & Pacific R. R. was owned by the Rock Island Co. and \$71,353,500 stock of the Chicago, Rock Island & Pacific Ry. was owned by the Chicago, Rock Island & Pacific R. R. Following the sale under foreclosure of the collateral securing the C. R. I. & P. R. R. 4% bonds of 2002 (December, 1914), the C. R. & P. Ry. stock was delivered to the holders of the bonds dollar for dollar. Therefore the Rock Island Co. stockholders no longer have any interest in the C. R. I. & P. Ry.

In December, 1909, the Chicago, Rock Island & Pacific R. R. disposed of its holdings of stock of the St. Louis & San Francisco R. R. to B. F. Yoakum and associates. The separation of these lines, it was said, was made necessary in order to comply with provisions of Federal and State laws, the two roads being considered parallel and competing lines. The Chicago, Rock Island & Pacific R. R. Collateral 5% bonds, due 1913, were called for payment in February, 1910. (See below.)

See under Colorado & Southern Ry. as to interest in Trinity & Brazos Valley R. R. (in Receiver's hands). Large advances have in past years been made to that company of which \$3,729,864 were in 1914-15 written off as worthless. In August, 1907, the Chicago, Rock Island & Pacific Ry. sold to the Toledo, St. Louis & Western R. R. \$6,380,000 preferred, and \$14,420,000 common stock of the Chicago & Alton R. R. On June 30, 1915, there were held in the treasury of the former company the unsold securities received therefor, namely, \$400,000 Series A, and \$5,047,000 Series B Collateral bonds of the Toledo, St. Louis & Western R. R. \$2,500,000 and \$1,210,000 Series A bonds were sold in 1909-10 and in 1910-11 respectively. In 1914-15, the C. R. & P. Ry. wrote off the sum of \$3,615,679, representing the difference in cost price of Toledo, St. Louis & Western R. R. bonds and their present value. On June 30, 1915, the Chicago, Rock Island & Pacific Ry. held \$450,000 Chicago & Alton R. R. preferred

stock. The value of this stock was likewise written down \$338,762 in 1914-15.

#### HISTORY.

On March 31, 1902, the Chicago, Rock Island & Pacific Ry. operated 3,910 miles of road and its capital stock amounted to \$59,961,960. During the following fifteen months to June 30, 1903, \$14,855,140 additional stock was issued of which \$9,154,040 was sold, largely to stockholders, and the balance issued for purchase of stock of subsidiary roads, increasing the mileage to 5,579 miles June 30, 1905.

Since June 30, 1903, there has been issued to acquire stock of the Burlington, Cedar Rapids & Northern Ry. and of the Rock Island & Pacific Ry., a small amount additional of stock of the Chicago, Rock Island & Pacific Ry., so that on June 30, 1915, of the authorized (\$75,000,000) stock of that company there was outstanding \$74,877,200. The balance was reserved for the redemption of \$122,800 outstanding stock of the Burlington, Cedar Rapids & Northern Ry.

In 1902, practically all of the capital stock of the Choctaw, Oklahoma & Gulf R. R. (1,081 miles—merged into Rock Island System in 1904), was acquired by the Railway Company at \$80 per \$50 share for the common and \$60 per \$50 share for the preferred. Collateral Trust Serial bonds, retirable between 1903 and 1918, were issued to the extent of \$23,883,000 to finance this purchase. On June 30, 1915, there were outstanding of these bonds \$4,482,000; \$1,494,000 bonds of this issue mature yearly on May 1.

From July 1, 1905, to June 30, 1915, there was a net increase of about 1,092 miles in the System's mileage operated.

The Chicago, Rock Island & Pacific Ry. has paid dividends in recent years as follows:

	'99-'02	'03	'04	'05	'06	'07 to '09	'10	'11	'12	'13	'14-'15
%.....	5	7½	8¼	7.88	6	5¼	4½	6¼	5¼	5	0

#### ROCK ISLAND CO.

On July 31, 1902, the Chicago, Rock Island & Pacific R. R. was incorporated, the entire stock, \$145,000,000 being owned by the Rock Island Co., a "holding" company incorporated July 30, 1902. The stockholders of the Chicago, Rock Island & Pacific Ry. were offered in exchange for each \$100 of stock, \$100 in the 100-year 4% gold bonds of the Railroad Co. (to be secured by a pledge with the trustee of an equal amount of stock of the Railway); also \$70 in the preferred stock and \$100 in the common stock of the Rock Island Co. (of N. J.). This preferred stock was declared entitled to non-cumulative dividends at the rate of 4% per annum for 1903, and thereafter to and including 1909; then at the rate of 5% for 1910 and thereafter to 1916, inclusive, and thereafter at the rate of 6%. The preferred stock-

holders were entitled to elect a majority of the directors. Of the common stock authorized of the Rock Island Co. (\$96,000,000), \$75,000,000 was issuable, and of \$54,000,000 preferred stock \$52,500,000 was issuable under the above terms of exchange. The preferred stock received 4% in dividends in 1903, 1904 and 1905. In 1906, the dividend was passed. On May 1, 1914, there were outstanding of the 100-year bonds \$71,353,500, and a like amount of Chicago, Rock Island & Pacific Ry. stock had been exchanged. On the date mentioned interest was defaulted on these bonds. The collateral securing these bonds was, as stated, sold under foreclosure, December, 1914.

In the years 1903 to 1907, \$17,364,180 of an authorized issue of \$18,500,000 Collateral Trust 5% bonds of 1913, of the C. R. I. & P. R. R., together with \$19,328,557 (1903-4) common stock of the Rock Island Co. were issued in exchange for practically all of the \$29,000,000 common stock of the St. Louis & San Francisco R. R. On February 1, 1910, following the announcement of the sale of the "Frisco," these bonds (\$17,364,180) were called for payment. These bonds were carried in the treasury of the C. R. I. & P. Ry. (which company advanced a large part of the necessary funds), until 1914-15. In that year \$6,112,000 bonds carried at a book value of \$7,314,661 were written off. Profit and Loss in 1914-15 was charged \$5,960,961 account of loss on same (see under St. L. & S. F. R. R. and C. & E. I. R. R.). While practically the entire common stock of the "Frisco" was owned by the Chicago, Rock Island & Pacific R. R., the lines operated by the former or controlled directly by it, comprised what were known as the "Frisco" Lines as distinct from the Rock Island Lines.

The "Rock Island" never received dividends from the "Frisco" stock owned and the purchase and sale of this stock resulted in considerable loss. The cost of retiring the Chicago, Rock Island & Pacific R. R. Collateral bonds was met from the proceeds (understood to have been \$10,852,612) derived from the sale of "Frisco" stock and by the sale to the Chicago, Rock Island & Pacific Ry. of \$7,500,000 new 5% bonds due September 1, 1913. Receivers were appointed for the "Frisco" in May, 1913. The common stock of the "Frisco" was quoted in the market in December, 1915, at a price of about 5½.

#### RAILWAY'S REFUNDING BONDS.

In 1904, the Chicago, Rock Island & Pacific Ry. authorized the First and Refunding Mortgage, interest not to exceed 4% per annum. These bonds were authorized to be issued to the amount of \$163,000,000 of which \$82,025,000 bonds to refund an equal amount of prior lien bonds and the balance for future acquisitions, equipment and betterments. To June 30, 1915, \$111,140,000 of these bonds had been issued, of which \$40,794,000 to retire matured bonds, including \$11,000,000 C. R. I. & P. Ry. General



Mortgage 4% bonds. Of the bonds issued to June 30, 1915, under the Refunding Mortgage \$16,199,000 were owned by the company (mostly pledged as collateral for Notes and Bills Payable).

#### ST. PAUL & KANSAS CITY SHORT LINE R. R.

In 1911, the St. Paul & Kansas City Short Line, a subsidiary of the Chicago, Rock Island & Pacific Ry., acquired control of the St. Paul & Des Moines R. R. This company formerly operated 121 miles of road (including 8 miles of trackage) from Des Moines, Iowa, to Mason City, Iowa. About 67 miles of new line (to Allerton, Iowa, a point on the C. R. I. & P. Ry. main line to Kansas City), was completed in 1913. This line affords the Rock Island the shortest route, by 43 miles, between St. Paul and Kansas City. The line is laid with 90-pound rail. The C. R. I. & P. Ry. owns all of the stock of the "Short Line." To acquire and complete this property the St. Paul & Kansas City Short Line R. R. issued \$10,000,000 of an authorized issue of \$30,000,000 4½% First Mortgage bonds, due 1941. These bonds were acquired by the C. R. I. & P. Ry., guaranteed by said company as to principal and interest and sold to the public. An additional \$2,545,000 of these bonds are owned by the company and are pledged as collateral.

#### GOLD DEBENTURES OF 1912.

In 1912, the Chicago, Rock Island & Pacific Ry. authorized and issued (bonds sold to Speyer & Co.), \$20,000,000 20-year 5% Gold Debentures, due January, 1932. These Debentures will be secured equally and ratably with any bonds issued under any future mortgage which may be authorized during the life of these Debentures. Any mortgage at present existing may, however, be extended or refunded. The interest due July 15, 1915, on these bonds was not paid until September, 1915. The January, 1916, interest was not paid when due.

#### GENERAL.

On June 30, 1915, main and second track owned and leased by the Chicago, Rock Island & Pacific Ry. (7,971 miles) contained:

433 miles of 100-pound rail,	879 miles of 65 to 67-pound rail,
166 miles of 90-pound rail,	1,426 miles of 60-pound rail,
1,433 miles of 85-pound rail,	645 miles of 56-pound rail,
2,360 miles of 80-pound rail,	254 miles of lighter weights.
376 miles of 70-pound rail,	

As of June 30, 1915, 5,459 miles of road were ballasted with rock, burned clay, gravel and cinders (68.5%), and 2,512 miles of road were not ballasted.

During 1914-15 there were located along the Rock Island Lines 109 new industries costing about \$3,016,250 and employing about 1,633 men.

On June 30, 1915, Current Assets of the Rock Island Lines were \$14,214,831; \$5,732,025 materials and supplies. Current Liabilities (including \$4,100,000 Loans and Bills Payable), were \$17,235,585, and there was a debit balance to Profit and Loss of \$12,530,963.

There was sold in 1909-10, \$11,000,000 of an authorized issue of \$30,000,000 First Mortgage 4½% bonds, due 1934, of the Rock Island, Arkansas & Louisiana R. R.; an additional \$1,965,000 of these bonds and all of the stock is owned by the Chicago, Rock Island & Pacific Ry. (the bonds are pledged), which leased the company for 999 years. The bonds are a mortgage on 364 miles of owned line, and a first lien on 38 miles of trackage rights. This line extends from Haskell, Ark., near Little Rock, to Eunice, La., from Tinsman, Ark., to Crosset, Ark., etc.

On February 16, 1916, \$7,500,000 two-year Collateral 6% Notes matured. They have been extended by the Receiver for six months at the same rate of interest.

### COLORADO & SOUTHERN RY.

See Table, page 168.

In 1908, the Chicago, Burlington & Quincy R. R. acquired a controlling interest in this company. The amounts of each class of Colorado & Southern Ry. stock held by the C., B. & Q. R. R. June 30, 1914, was as follows: First preferred, \$1,130,000; second preferred, \$6,078,700; common, \$23,667,500. As of June 30, 1915, the Northern Pacific Ry. owned an additional \$100,000 common stock.

The first and second preferred stocks are entitled to non-cumulative dividends of 4% in order of priority. Dividends on the first and second preferred stocks have been paid in April and October, and on the common stock annually in December, as follows:

	'02	'03	'04	'05	'06	'07	'08-'11	'12	'13
First Preferred %	3½	4	2	0	4	4	4	4	4
Second Preferred %	0	0	0	0	0	4	4	4	4
Common %	0	0	0	0	0	0	2	1	0

### REFUNDING AND EXTENSION BONDS.

In June, 1905, a new mortgage known as the Refunding and Extension Mortgage was authorized. The bonds (\$100,000,000 authorized) bear interest at 4½% per annum and mature 1935. \$36,850,000 of these bonds were reserved for refunding purposes, the balance being issuable for extensions, betterments, etc. To June 30, 1915, bonds under this mortgage to the amount of \$35,594,347 had been issued, of which \$4,790,447 bonds were held in the treasury on that date.

About \$17,000,000 bonds of this issue were sold in 1905. The proceeds were used to take up equipment obligations, for additional new acquisitions in Colorado, and for additions and extensions in Texas with the ultimate purpose of giving the System direct connection with tide-water at Galveston.

#### HISTORY.

The increase in operated mileage of the System to 1,828 miles June 30, 1915, as against 1,118 miles 1904-5 (Colorado & Southern Ry. proper), is shown as follows:

	Miles
Ft. Worth & Denver City Ry. (Acquired 1905-6) .....	454
Wichita Valley Lines (Mostly acquired in 1906-7).....	257
Denver & Interurban R. R. (Acquired 1908-9) .....	29
Add mileage of Colorado & Southern Ry. proper .....	1,089
Total mileage .....	<u>1,828</u>

A large majority of the stock of the Ft. Worth & Denver City Ry. had previously been owned by the Colorado & Southern Ry.

An additional 264 miles of road were owned on June 30, 1915, but were not operated by the Colorado & Southern Ry. This mileage included the Colorado Springs & Cripple Creek District Ry. (acquired 1905-6) which was leased in 1911-12 to the Florence & Cripple Creek R. R. (Cripple Creek Central Ry.).

#### TRINITY & BRAZOS VALLEY RY.

The Rock Island System holds a half interest, subject to pledge under the Refunding and Extension Mortgage, in the securities of the Trinity & Brazos Valley Ry. acquired by the Colorado & Southern Ry. "Rock Island" assumed one-half the requirements for interest, etc., on account of the Trinity & Brazos Valley Ry. as they accrued and contracted to pay on May 1, 1935 (the date of maturity of the Refunding and Extension Mortgage), for an unencumbered half interest in the Trinity & Brazos Valley Ry. securities, or to join in refinancing the same. It is claimed that the "Rock Island" is obligated to pay to the Colorado & Southern Ry. on May 1, 1935 (as stated) the sum of \$5,017,301, but this has been disavowed by the Receivers of the "Rock Island."

The Trinity & Brazos Valley Ry. operates 315 miles, extending from Cleburne, Tex., to Houston, Tex., with branches to important points. The Trinity & Brazos Valley Ry. owns the Galveston Terminal Ry. and a one-quarter interest in the Houston Belt & Terminal Ry. The Colorado & Southern Ry. owns a one-half interest in the stock and a one-half interest in the bonds of the Trinity & Brazos Valley Ry. These securities (together with the Rock Island's share) are pledged under the First and Refunding Mortgage of the Colorado & Southern Ry. as stated above. On June 16, 1914, a Receiver was appointed for the Trinity & Brazos Valley Ry.

The Trinity & Brazos Valley Ry. has shown the following results from operation during the past eight fiscal years:

	Mileage	Gross	Deficit
1907-8.....	422	\$1,075,003	\$1,179,324
1908-9.....	455	1,943,332	902,024
1909-10.....	459	2,028,607	933,436
1910-11.....	463	1,959,356	965,197
1911-12.....	463	2,569,455	1,164,031
1912-13.....	463	2,835,818	1,227,035
1913-14.....	463	2,302,679	1,497,116
1914-15.....	315	980,592	1,171,640

COLORADO & SOUTHERN RY.

On June 30, 1915, Current Assets were \$3,651,188, and Current Liabilities were \$2,133,038. Corporate Surplus including \$1,962,574 Profit and Loss Balance, \$6,208,571 Additions to Property through Income or Surplus, \$6,208,571, and \$1,000,000 Appropriated Surplus not Specifically Invested, amounted to \$9,604,772.

DENVER & RIO GRANDE R. R.

See Table, page 169.

The preferred stock is entitled to non-cumulative dividends of 5% per annum, after which the common stock is entitled to 5% per annum. Both classes of stock share alike in all further dividends, after 5% has been paid on each. No dividend has ever been paid on the common stock. The full dividend on the preferred was paid from 1900, to and including the semi-annual payment of 2½% in January, 1911.

In July, 1911, the preferred dividend was passed, the amount being used to meet the September interest requirements (about \$1,250,000) of the Western Pacific Ry. (See a following paragraph.) No further dividends have been paid.

From the surplus for the years 1902-3 to 1908-9 inclusive, an aggregate sum of \$3,969,099 was appropriated for equipment, additions and improvements. From the surplus of 1912-13, 1913-14 and 1914-15, \$389,000, \$80,928 and \$211,045 was so appropriated. In addition, sums of not less than \$120,000 have been appropriated annually for a number of years to and including 1914-15, to the Renewal Fund.

The majority, or \$3,579,737, of the capital stock of the Rio Grande Southern R. R. and \$1,777,000 4% bonds are owned by the Denver & Rio Grande R. R. That road is operated separately. The Denver & Rio Grande R. R. guarantees \$2,277,000 (about half), of the 4% bonds of the Rio Grande Southern R. R. The Denver & Rio Grande R. R. also guarantees, jointly with the Colorado Midland Ry., \$2,000,000 5% bonds of the Rio Grande

Junction Ry. leased, and jointly with the Western Pacific Ry. \$1,100,000 5% bonds of the Salt Lake City Union Depot & R. R. Co.

As of June 30, 1915, the Denver & Rio Grande R. R. owned \$10,000,000 stock of the Utah Fuel Co., valued on the books of the company at \$6,000,000. A dividend of \$600,000 (6%) was paid by the Utah Fuel Co. in 1913-14.

The Utah Fuel Co. owns about 26,500 acres of coal lands containing, it is estimated over 172,000,000 tons of coal. The company has outstanding about \$2,400,000 5% bonds. The mines are located adjacent to the lines of the Denver & Rio Grande R. R.

#### STOCK HELD BY MISSOURI PACIFIC RY.

As of June 30, 1915, the Missouri Pacific Ry. owned \$9,805,000 preferred and \$17,295,000 common stock of the Denver & Rio Grande R. R., mostly deposited as collateral for Notes.

#### INCREASE IN STOCK.

During the year 1901-2 \$12,500,000 preferred stock was sold to stockholders at \$90 per share, and the proceeds used to acquire the entire common stock of the Rio Grande Western Ry., and \$8,250,000 additional preferred stock was issued in exchange for substantially all of the \$7,500,000 preferred 5% stock of the Rio Grande Western Ry. on the basis of 10 shares of the latter for 11 shares of the former. Since 1901-2, preferred stock has been issued as follows: \$1,200,000 in 1904-5, \$112,700 in 1905-6, \$48,700 in 1906-7, \$18,400 in 1908-9, and \$4,000,000 in 1909-10.

The \$4,000,000 preferred stock issued in 1909-10, was sold to provide additional funds for the Western Pacific Ry.

#### CONSOLIDATION IN 1908.

The stockholders voted in July, 1908, to merge the Denver & Rio Grande R. R. and the Rio Grande Western Ry., and in September, 1908, authorized a First and Refunding Mortgage covering the consolidated properties to secure an issue of \$150,000,000 5% bonds due August, 1955 (interest February and August); \$90,000,000 were reserved to retire underlying issues and the balance for various purposes. As of June 30, 1915, the total amount of these bonds in the hands of the public was \$33,399,000. Of new bonds, \$23,000,000 were available under the terms of the mortgage, to enable the consolidated company to purchase as many Western Pacific Ry. 5% Second Mortgage bonds at 75% and interest as should be necessary to complete, and provide stipulated equipment for the main line of the Western Pacific Ry.

In 1912, there was authorized the Denver & Rio Grande R. R. Adjustment Mortgage. A total of \$25,000,000 bonds are secured by this mortgage, of which \$10,000,000 were subscribed for June 1, 1912. The bonds bear 7% interest contingent upon income.

The interest which is being paid is cumulative and all deferred payments will be due and payable at maturity.

It was provided that the proceeds from the sale of \$2,500,000 Adjustment bonds should be advanced to the Western Pacific Ry. and the proceeds of \$7,500,000 bonds should be used for additions and betterments.

#### GENERAL.

On June 30, 1915, the Denver & Rio Grande R. R. owned stocks and bonds and other investments, including stock, bonds and Notes of the Western Pacific Ry., of a par value of approximately \$147,502,534, carried on the books at a value of \$67,132,578. Of these, a total of approximately \$121,000,000 par value are deposited as collateral for certain issues of mortgage bonds, including sinking funds, etc.

Of the mileage operated June 30, 1915, 786 miles were narrow gauge.

On June 30, 1915, Current Assets, including \$2,692,625 cash and \$1,671,863 materials and supplies, were \$5,753,281, and Current Liabilities were \$3,992,805.

Between July 1, 1892, and June 30, 1915, appropriations were made from operating surplus aggregating approximately \$17,000,000, of which about \$9,000,000 was appropriated for equipment and about \$8,000,000 for fixed plant.

#### WESTERN PACIFIC RAILWAY.

*(In Receivers' hands, see following.)*

In 1904-5 the Denver & Rio Grande R. R. assisted in organizing the Western Pacific Ry. for the purpose of building a main line of railway from San Francisco to Salt Lake City, with certain proposed branches, total 927 miles. The financial arrangements for the construction of this line were completed in the last three months of the year 1904-5, by the issue and sale of \$50,000,000 of First Mortgage 5% 30-year bonds of the Western Pacific Ry. It was estimated that the proceeds of this issue would cover the cost of the main line with terminals and necessary equipment. The line was opened for (some) traffic late in 1909. The interest accruing upon the Western Pacific Ry. bonds during the period of construction was included as a part of the cost of construction.

As a part of the plan for financing the new line, contracts were, on the part of the Denver & Rio Grande R. R. and the Rio Grande Western Ry., entered into with the Western Pacific Ry., the principal features of which were:

It was agreed that in the event that the proceeds of the First Mortgage bonds of the Western Pacific Ry. should prove insufficient to complete the main line and to provide terminals and equipment to the amount of \$3,000,000, that the Rio Grande

Western Ry. (D. & R. G. R. R. successor), would undertake to provide sufficient funds to assure the completion of the new line, and if called upon to make any advances, to take Second Mortgage bonds of the Western Pacific Ry., bearing interest at 5% per annum.

The Denver & Rio Grande R. R. undertook to make up any deficit in the earnings and income of the Western Pacific Ry. in the amount required to meet its operating and maintenance expenses and taxes, and after completion of the main line, the interest upon its First Mortgage bonds, and Sinking Fund. For all advances so made the D. & R. G. R. R. received the promissory notes of the Western Pacific Ry., payable from its first available income. The Denver & Rio Grande R. R. guaranteed the interest on the First Mortgage bonds of the Western Pacific Ry. and held as of June 30, 1915, \$62,500,000 stock of the latter. A traffic agreement exists between the two companies.

The line of the Western Pacific Ry. was placed on an operating basis July 1, 1911, although not then fully completed. The Western Pacific Ry. has acquired large terminals and water front properties in Oakland, Cal., and San Francisco, Cal., and the line passes through Stockton, Sacramento, Oroville and other important cities. To June 30, 1915, the Denver & Rio Grande R. R. had received from the Western Pacific Ry. Promissory Notes for \$14,252,915, bearing interest at the rate of 5% per annum, to cover the principal part of the Western Pacific Ry.'s indebtedness to the Denver & Rio Grande R. R. for interest advances, accrued interest (unpaid) on its Second Mortgage bonds owned by the Denver & Rio Grande R. R., etc. This Note is deposited under the latter's Adjustment mortgage.

The actual amount expended by the Western Pacific Ry. to June 30, 1915, was approximately \$77,800,000; including interest on First Mortgage bonds, the amount expended was \$84,242,174. Funds were provided as follows, viz.: \$46,243,120 were proceeds of the Company's First Mortgage 5% 30-year bonds; \$18,802,905 were proceeds, with interest, of \$25,000,000 Second Mortgage 5% bonds sold to Denver & Rio Grande R. R.; moneys borrowed, \$16,408,650; income during construction period, \$754,353; interest on Trust Funds deposited during construction, \$1,870,146.

On March 5, 1915, Receivers were appointed for the Western Pacific Ry., the interest due March 1 having been defaulted. Said interest was not earned and the Denver & Rio Grande R. R. was unable to advance the necessary amount.

In December, 1915, a Plan of Reorganization was announced. This Plan called for: (1) the elimination by foreclosure of the \$25,000,000 Second Mortgage 5% bonds, the \$26,800,000 claims and unsecured debt owned by the Denver & Rio Grande R. R., and its subsidiary, the Utah Fuel Co. and the \$75,000,000 stock;

(2) the payment of Receivers' Obligations and claims totalling slightly in excess of \$663,626; and (3) the retirement of the existing \$50,000,000 First Mortgage bonds (also \$3,750,000 unpaid interest), and for the issuance of new securities.

The estimated cash requirements of the new company total \$18,600,000. This includes \$600,000 cash on hand and \$18,000,000 to be realized from the sale of \$20,000,000 new 5% bonds (\$50,000,000 authorized), due March 1, 1946 (see following).

Under the terms of the Plan, holders of the defaulted Western Pacific Ry. bonds, upon agreement to transfer to the new company their claim against the Denver & Rio Grande R. R. for interest guarantees, will participate in the Reorganization under the following conditions: (1) by payment of \$360 cash per \$1000 bond and accrued interest on new bonds for which bondholders will receive \$400 in the new 5% bonds, \$550 in new 6% non-cumulative preferred stock and \$950 in new common stock; (2) by depositing bond and making no payment, the holder of each \$1000 bond will receive \$500 in new preferred stock and \$750 in new common stock. The total amount of preferred and common stock to be issued as per plan will be \$27,500,000 and \$47,500,000 respectively.

It is proposed to construct a number of branch lines and extensions.

Earnings for the past four years have been as follows:

	Gross	Net	Miles Operated
1911-12.....	\$5,528,532	\$1,037,216	934
1912-13.....	6,173,628	1,694,793	937
1913-14.....	6,251,137	1,076,529	942
1914-15.....	5,708,126	1,288,189	942

### EL PASO & SOUTHWESTERN CO.

See Table, page 170.

Dividends at the rate of 5% per annum have been paid since 1911; in 1910 7% was paid. Dividends are paid quarterly beginning March.

This company operates the El Paso & Southwestern R. R. of Texas (5 miles); the El Paso & Southwestern R. R. (457 miles); Burro Mountain R. R. (13 miles); El Paso & Northeastern R. R. (19 miles); El Paso & Northeastern Ry. (150 miles); El Paso & Rock Island Ry. (127.5 miles); Dawson Ry. (132 miles); Alamogordo & Sacramento Mountain Ry. (31 miles); Chicago, Rock Island & El Paso Ry. (60 miles). Total, including 33 miles Atchison, Topeka & Santa Fe Ry. line operated under trackage rights, 1,027 miles.

The El Paso & Southwestern Co. and its subsidiaries also own the entire stock (\$400,000), and \$320,000 of \$400,000 bonds of the Alamogordo Lumber Co.; the \$100,000 stock of the Dawson Ry. &



Coal Co., which company owns the Dawson Ry. (see above) and the Dawson Fuel Co., which in turn owns about 35,000 acres of coal lands; \$200,000 stock of the Southwestern & International Express Co., and \$200,000 stock of the Texas & Western Telegraph & Telephone Co.; the entire \$750,000 stock of the Morenci Southern Ry. (18 miles), and the entire \$1,250,000 stock of the Nacozari R. R. (Douglas, Ariz., to Nacozari, Mexico—77 miles). The last two railways mentioned do not directly form a part of the El Paso & Southwestern System. This company formerly held a large interest in the stock of the Rock Island Co. On account of loss on this investment Profit and Loss was debited in 1913-14 \$1,000,000 and in 1914-15; \$3,039,999.

The balance sheet as of June 30, 1915, showed \$4,797,799 Current Assets as against \$5,509,523 Current Liabilities (the latter including \$3,000,000 Loans and Bills Payable).

The weight in rail per yard in main line and branches as of June 30, 1915, averaged as follows:

23 miles of 90-pound rail,	226 miles of 75-pound rail,
199 miles of 85-pound rail,	247 miles of 70-pound rail,
142 miles of 80-pound rail,	157 miles of 65-lb. and lighter rail.

The El Paso & Southwestern Co. proper has no bonded debt. Bond issues of Subsidiary Companies outstanding June 30, 1915, were as follows:

(1) New Mexico Ry. & Coal Co. First and Collateral Trust 50-Year 5% bonds, due 1947. \$3,000,000 authorized and outstanding.

(2) New Mexico Ry. & Coal Co. First and Consolidated and Collateral Trust 50-Year 5% bonds, due Oct. 1, 1952. Authorized \$5,000,000; outstanding, \$1,792,000. Of unissued bonds \$3,000,000 are reserved to retire the First and Collateral Trust bonds, due 1947, as above.

(3) Dawson Ry. & Coal Co. First Mortgage and Collateral Trust 50-Year 5% bonds, due 1951 (a collateral mortgage on the Dawson Ry.—132 miles—and the Dawson Fuel Co.). \$3,000,000 outstanding.

(4) Alamogordo & Sacramento Mountain Ry. First Mortgage 30-Year 5% bonds, due 1928. \$900,000 authorized, \$372,000 outstanding, including \$50,000 bonds owned by the El Paso Northeastern Co.

(5) El Paso & Rock Island Ry. First Mortgage 50-Year Gold 5% bonds, due 1951, \$2,500,000 authorized and outstanding.

Various other bond issues are owned by the subsidiary companies and pledged as collatera for the several bond issues mentioned above.

#### INTERNATIONAL & GREAT NORTHERN RY.

See Table, page 171.

The International & Great Northern Ry. is the successor through reorganization of the International & Great Northern R. R.

Under the terms of the Plan of Reorganization \$10,391,000 Second Mortgage 6% bonds (matured 1909) were paid off at 100 and interest, the interest amounting to \$2,516,644. The holders of the Third Mortgage bonds (\$2,961,000 outstanding) received \$3,421,930 in common stock of the I. & Gt. N. Corporation representing par in principal and par in unpaid interest. The stock of the old company was wiped out.

The cash required at reorganization of the company (\$15,340,000) was raised by (1) the sale to bankers of \$11,000,000 3-year 5% Notes, due August 1, 1914 (see a following paragraph) secured by deposit of \$13,750,000 First Refunding Mortgage 5% bonds of the new company; (2) by the sale to the syndicate of \$1,600,000 First Refunding bonds, \$3,400,000 preferred stock (dividends limited to 5%, non-cumulative), and \$2,500,000 common stock. The \$1,600,000 bonds are included among those deposited as collateral for the Notes. Upon the liquidation of the Notes the bonds contributed by the syndicate are to be surrendered to the new company in exchange for a like amount of preferred stock.

A dividend of 5% was paid on the preferred stock in 1912-13; 1% August 1, 1912; 4% January 2, 1913; none since.

On August 11, 1914, the International & Great Northern Ry. itself passed into the hands of Receivers. Principal and interest were defaulted on the 5% Notes due August, 1914, and interest was defaulted on the Refunding Mortgage bonds.

The new First and Refunding Mortgage 5% bonds referred to above mature 1931. \$50,000,000 bonds are authorized, \$11,489,000 of which are reserved to retire underlying bonds. Approximately \$1,106,000 of these bonds are outstanding in the hands of the public.

As of June 30, 1915, Current Assets were \$1,683,021, as against Current Liabilities to the amount of \$862,310.

As of June 30, 1915, weight of rail in main track was as follows:

5 miles of 85-pound rail,	14 miles of 70-pound rail,
38 miles of 80-pound rail,	171 miles of 56-pound rail,
724 miles of 75-pound rail,	155 miles of 52-pound rail.

### KANSAS CITY SOUTHERN RY.

See Table, page 172.

The preferred stock is entitled to and is limited to non-cumulative dividends of 4% per annum. In July, 1907, 4% (the initial dividend) was paid on this stock. Dividends at the rate of 4% per annum are now being paid, quarterly beginning January.

#### FINANCIAL PLAN.

A financial plan for the building of extensions and branches, for financing the requirements for improvements and additional equipment and for the general rehabilitation of the property was adopted

in 1906, and an issue of \$10,000,000 4½% 20-year Improvement Gold bonds was authorized, and there was authorized an issue of \$5,100,000 5% Collateral Gold Notes due April 1, 1912, with option for earlier retirement. These Notes were offered to stockholders pro rata, at 95, and were sold. \$6,000,000 of the Improvement bonds were deposited as security for the Notes, the balance, \$4,000,000, remaining unissued.

Under date of July 1, 1909, the company cancelled the Improvement Mortgage bonds, aggregating \$10,000,000; paid off the outstanding Notes aggregating \$5,100,000, and created \$21,000,000 Refunding and Improvement bonds, bearing interest at not exceeding 5% per annum, due April 1, 1950 (interest January and July), but redeemable at the option of the company at 105 and accrued interest on any interest date upon 60 days' previous notice, and to be secured by all the property and franchises of the company owned and hereafter acquired, subject to the existing liens thereon. Of this new issue of bonds there have been sold: \$15,000,000 prior to June 30, 1911; \$1,500,000 in 1912-13 and \$500,000 in 1914-15 (total \$17,000,000 to June 30, 1915).

Profit and Loss was charged in 1909-10, \$375,000, in 1910-11, \$212,683; \$67,620 in 1912-13, \$12,500 in 1913-14 and \$13,018 in 1914-15, for discount on the sale of these bonds.

#### GENERAL.

The balance sheet as of June 30, 1915, shows \$3,174,666 Current Assets (including \$948,516 material and supplies), and \$2,602,540 Current Liabilities. Profit and Loss showed a credit balance of \$5,885,833.

The Kansas City Southern Ry. controls by virtue of its ownership of securities, all the property of the Port Arthur Canal & Dock Co., the K. C. S. Elevator Co., the Mena Land & Improvement Co., the Kansas City, Shreveport & Gulf Terminal Co., the Poteau Valley R. R., and the Arkansas Western Ry. Co., the operations of which companies are reported separately in the parent company's annual reports.

#### MIDLAND VALLEY R. R.

See Table, page 173.

No dividends are being paid on the stock of this company.

The obligations of this company on June 30, 1915, consisted of: (1) \$5,000,000 Mortgage 5% bonds due 1943 (\$15,000,000 authorized); (2) \$5,512,500 Adjustment Mortgage Income bonds, due 1953. These bonds (\$3,512,500 Series "A" and \$2,000,000 Series "B," Series "B" subject to Series "A") bear interest up to 5% if earned. They are a second lien on all property secured by the First Mortgage bonds, and are redeemable at par. Provided the Cherokee Construction Co. shall exercise its option to purchase

the preferred stock, as explained below, these Adjustment Mortgage bonds become cumulative as to their interest.

The two classes of bonds and \$4,006,500 each of common and 5% preferred stock (\$16,000,000 and \$5,000,000 authorized) were issued February 1, 1913, under a Plan of Readjustment. The company at that time had a floating debt of over \$500,000, and had outstanding bonds and notes as follows: Prior Lien 5% bonds, \$6,000,000; Wichita & Midland Valley R. R. First Mortgage 5% bonds, \$1,025,000; 6% Notes due December 1, 1912, \$1,800,000; also \$8,013,000 stock (owned by Cherokee Construction Co.). The holders of the Prior Lien and W. & M. V. 5% bonds received for each \$1,000 bond, \$450 in cash and \$500 in Adjustment Mortgage bonds while the Noteholders received for each \$1,000 Note in Adjustment bonds Series "B" and \$750 in preferred stock. \$200,000 Adjustment bonds Series "B," the balance of the \$4,006,500 preferred stock and the \$4,006,500 common was all (with the exception of \$1,760,000 preferred stock issued to creditors of the M. V. R. R. holding \$1,760,000 old common stock) issued to the Cherokee Construction Co. in exchange for old stock, claims, etc. The cash necessary to pay bondholders, to pay off floating debt and to make improvements was raised by the sale of the \$5,000,000 First Mortgage bonds as above. The Cherokee Construction Co. has an option to purchase all outstanding preferred stock (par \$50) at \$20 per share in 1916 and 1917; \$22.50 per share in 1918 and 1919; \$25 per share in 1920 and 1921 and \$27.50 per share in 1922 and 1923.

The Midland Valley R. R. (including the W. & M. V. R. R.) operates a line of road from Wichita, Kan., in a southeasterly direction, via Arkansas City, Kan., and Muskogee, Okla., to Hoye, Ark., with branches to Fort Smith, Ark., etc. (total mileage about 380 miles, including 25 miles of trackage).

As of June 30, 1915, Current Assets amounted to \$344,606, while Current Liabilities were \$247,850. The debit balance to Profit and Loss account was \$1,121,228.

### MISSOURI, KANSAS & TEXAS RY.

See Table, page 174.

On September 27, 1915, Mr. Charles E. Shaff was appointed Receiver for this railway (see a following paragraph).

In May, 1906, an initial semi-annual dividend of 2% was paid on the preferred stock. The preferred stock is limited to non-cumulative dividends of 4% per annum. Dividends at that rate were paid from 1906 to November, 1913, inclusive.

While the surplus for 1906-7 amounted to about 28% on the preferred stock, the "margin of safety" for dividends was by no means so large as the statement of this fact would indicate, because of the relatively small amount of preferred stock. In 1907-8 about 10% was earned on the preferred stock, in 1908-9 about 10½%, in 1909-10 about 8%, in 1910-11 about 14%, in 1911-12, 0.13%, in 1912-13, 17.8%, in 1913-14, 4.15% and in 1914-15, 11.3%.

#### BONDS.

On June 30, 1905, there were outstanding Equipment Obligations to the amount of \$4,591,536, retireable in installments prior to June 30, 1911. The payments of these installments required large appropriations from surplus each year. In 1906, a new mortgage was authorized securing an issue of \$20,000,000 General Mortgage 4½% Sinking Fund bonds, due 1936. Of this issue \$13,170,000 had been sold to June 30, 1915, of which amount \$10,000,000 was sold in 1906, largely to stockholders at 87½. The balance (\$3,170,000) was sold in 1909. On June 30, 1915, \$10,525,000 bonds of this issue were in the hands of the public, \$2,645,000 were held alive in the Sinking Fund, and \$6,830,000 were pledged as part collateral for the Consolidated Mortgage. The proceeds from the sale of these bonds were used to retire equipment obligations, for improvements, etc.

In 1904-5, the stockholders authorized \$40,000,000 First and Refunding Mortgage 4% bonds, due 2004. Of this issue \$13,000,000 were reserved to retire divisional bonds at or before maturity, and \$27,000,000 were available for future purposes of the company. First and Refunding Mortgage bonds outstanding June 30, 1915, \$9,992,000; owned and pledged, \$448,000.

#### TEXAS CENTRAL R. R. ACQUIRED.

In June, 1910, practically all of the stock of the Texas Central R. R. was purchased. On June 30, 1915, all except \$17,700 of the \$1,325,000 preferred stock and \$2,675,000 common stock was owned by the Missouri, Kansas & Texas Ry. The \$1,850,000 and \$150,000 5% and 4% bonds of the Texas Central R. R. have been assumed by the Missouri, Kansas & Texas Ry., and since July 1, 1910, the operations of that company have been merged with

those of the latter. The Texas Central R. R. extends from Waco, Texas, westward, via Stamford, to Rotan, Tex., with a branch (309 miles).

#### WICHITA FALLS & NORTHWESTERN RY. ACQUIRED

In 1911, the Missouri, Kansas & Texas Ry. purchased the entire \$2,000,000 capital stock of the Wichita Falls & Northwestern Ry., which company owned the Wichita Falls & Southern Ry. The Missouri, Kansas & Texas Ry. assumed the bonds of this company, aggregating \$7,902,000 (\$1,057,000 owned by M. K. & T. Ry. and pledged). These companies operated on June 30, 1915, a system of railways, aggregating 429 miles. These lines are located in Northern Texas and in Oklahoma, and connect with the Wichita Falls (Texas) division of the Missouri, Kansas & Texas Ry.

The operations of the Wichita Falls Lines have been included in the System's earnings since November 1, 1912.

#### SECURED NOTES.

To refund \$16,000,000 Two-year Notes at maturity and for other purposes, the company issued May 1, 1913, \$19,000,000 5% Notes due May 1, 1915. At maturity, the company requested the Noteholders to accept, in lieu of cash, par in 6% one-year Notes. Holders of about 95% of the Notes accepted the proposal as did holders of \$2,733,250 short time bank loans. Suits having been brought against the company by Noteholders not assenting to the extension of the Notes and other suits having been threatened, it was decided, September 27, 1915, to place the company in the hands of a Receiver. Since the date of the Receivership the company has defaulted on a large majority of its bonds, including the First Mortgage bonds.

#### FINANCES—GENERAL.

The stockholders in 1910, authorized a new mortgage known as the Consolidated Mortgage, securing an issue of thirty-year gold bonds limited to \$125,000,000, bearing such rate of interest, not exceeding 5% as may be determined. These bonds will be available for additions, equipment, new terminals, for refunding purposes, etc. To June 30, 1915, \$30,292,000 of these bonds were delivered to the company, all of which were pledged as collateral for the \$19,000,000 Notes.

On June 30, 1915, Working Assets were \$5,838,503 and Working Liabilities were \$7,979,029. The company held in addition unpledged securities in its treasury at a book value of \$324,429. There was a credit balance to Profit and Loss of \$6,408,081.

Of the total tonnage handled in 1914-15, Products of Agriculture contributed 25%, Products of Mines, 43%, and Manufactures, 13%.

### MISSOURI PACIFIC RY.

See Table, page 175.

On August 17, 1915, President B. F. Bush was appointed Receiver for the Missouri Pacific Ry. and the St. Louis Iron Mountain & Southern Ry. (see last paragraph following regarding Plan of Reorganization).

From January 1, 1901, to July 1, 1907, cash dividends were regularly paid at the rate of 5% per annum. The regular semi-annual dividend of 2½% was paid in January, 1908, in stock, \$1,945,450 capital stock having been issued for that purpose. In July, 1908, the dividend was passed.

#### SECURITIES OWNED.

On June 30, 1915, the Missouri Pacific Ry. owned \$44,336,704 of the \$44,391,299 capital stock of the St. Louis, Iron Mountain & Southern Ry., an affiliated road.

The Missouri Pacific Ry. and the St. Louis, Iron Mountain & Southern Ry. owned on June 30, 1915, a large amount of stocks and bonds of other companies; among these were the following:

	Amount Owned by Missouri Pacific System
Texas & Pacific Ry. Co. 2nd Incomes.....	(1) \$23,703,250
Texas & Pacific Ry. Co. Stock .....	6,555,000
Texas & Pacific Ry. Co. Notes 5% and 6%.....	1,670,380
Denver & Rio Grande R. R. Co. com. stock.....	(2) 17,295,000
Denver & Rio Grande R. R. Co. pfd. stock.....	(2) 9,805,000
R. I., A. & L. R. R. (Rock Island System 4% Notes)	453,600

In addition a large amount of Wabash R. R. (old company) securities are owned.

*Note:—(1) Acquired by the Iron Mountain; the latter gave \$650 of its Unifying and Refunding bonds for each \$1,000 Income bond. No interest has been paid on the latter bonds since 1908; (2) Largely acquired through the sale of \$13,866,435 Missouri Pacific Ry. stock in 1901 (about \$10,000,000 sold at par).*

#### BONDS.

In 1903, \$20,000,000 of an authorized issue of \$50,000,000 "Iron Mountain," River & Gulf Division First Mortgage 4% bonds were

sold. These bonds were issued to provide funds with which to purchase additional terminal properties in St. Louis and East St. Louis, and to acquire and construct 677 miles of railroad comprising "a system extending from St. Louis along the east side of the Mississippi River to Thebes, Ill., and on the west side of the river, via West Memphis, to the Texas & Pacific Ry. connection at Clayton, and by means of this connection completing a Valley Railroad System from St. Louis to New Orleans, which is forty-eight miles shorter than any existing system, having better grades." This line was completed in 1905. The bonds are a lien on 772 miles of road. \$34,548,000 bonds of this issue were outstanding December 31, 1915.

In 1905, \$25,000,000 and in 1907-8 and 1908-9, \$12,255,000 of an authorized issue of \$50,000,000 new 4% 40-year bonds of the Missouri Pacific Ry. were sold, making the total issued to June 30, 1915, \$37,255,000. These bonds are secured by a like amount of "Iron Mountain" stock. Interest on these bonds was defaulted in September, 1915.

The Equipment Obligations outstanding on June 30, 1915, amounted to \$6,798,000 against \$20,481,650 on June 30, 1907. These Equipment Obligations are payable in installments, the final payments to be made in 1922.

#### FIRST AND REFUNDING BONDS, MISSOURI PACIFIC RY.

Stockholders in 1910 authorized an issue of \$175,000,000 First and Refunding Mortgage 5% bonds due 1959 (authorized issue since limited to \$150,000,000). Of this issue, \$29,806,000 were offered to stockholders at 95. They are convertible into stock of the company at par until September 1, 1932. Out of the total original issue of \$175,000,000, \$97,133,000 were reserved for refunding prior lien bonds and equipment obligations, \$52,866,500 to be used for betterments, improvements and additions and equipment, and \$25,000,000 to acquire mortgage bonds of the St. Louis, Iron Mountain & Southern Ry., and to be issued for betterments and additions on that property. See a following paragraph regarding default of interest on this issue.

#### FIRST AND REFUNDING BONDS, IRON MOUNTAIN.

Under date of July 1, 1912, there was issued to the Missouri Pacific Ry. \$24,415,000 of an authorized issue of \$200,000,000 of First and Refunding Mortgage 6% bonds, due 1952, of the "Iron Mountain Ry." Upwards of \$27,156,000 of these bonds are deposited under the latter's 3-year Gold Notes or otherwise pledged.

#### SECURED NOTES.

On June 1, 1911, there were issued \$25,000,000 Three-Year Secured 5% Gold Notes. The proceeds of these Notes were used for the



payment of the floating debt, for the purchase of needed equipment and for improvements. At maturity these Notes were extended one year at 6%. On June 1, 1915, a further extension of one year at 6½% was requested. \$24,845,000 of these Notes were outstanding June 30, 1915. These will be refunded at maturity in accordance with Plan of Reorganization (see following). These Notes are secured by \$1,972,000 First and Refunding bonds, by \$25,000,000 First and Refunding Mortgage 6% bonds and \$1,070,000 stock of the "Iron Mountain Ry.," by \$9,800,000 preferred stock and \$15,000,000 common stock of the Denver & Rio Grande R. R., and by other securities.

#### GENERAL AND FINANCIAL.

The System reported 435,906 acres of land owned and unsold June 30, 1915.

Main track, June 30, 1915, contained:

250 miles of 100-pound rail,	980 miles of 75-pound rail,
467 miles of 90-pound rail,	88 miles of 70-pound rail,
2,401 miles of 85-pound rail,	868 miles of 60 to 65-lb. rail,
28 miles of 80-pound rail,	2,253 miles of lighter rail.

The balance sheet as of June 30, 1915, of the Missouri Pacific Ry. (Consolidated System) showed Current Assets of \$10,337,926, and Current Liabilities of \$13,374,725. Current Assets included \$4,017,720 material and supplies.

#### REORGANIZATION PLAN.

Under date of July 1, 1915, Kuhn, Loeb & Co. as Readjustment Managers announced a Plan of Readjustment of Capital and Debt of the Missouri Pacific Ry. and the Iron Mountain.

To carry out this plan which calls for the formation of a new company, a new First and Refunding Mortgage has been authorized of which \$46,923,150 bonds bearing interest at 5% per annum are issuable. These bonds will mature at a date not earlier than 1965 and the authorized principal amount will never exceed three times the amount of stock outstanding. The bonds will be callable at 107½ and interest after 1920.

A new General Mortgage to cover \$100,000,000 bonds to mature about 1975, has also been authorized; \$44,399,292 bonds bearing interest at 4% per annum, are issuable under the Plan. The bonds are subject to the First and Refunding Mortgage.

The preferred stock of the new company will be entitled to dividends at the rate of 5% per annum in priority to the common stock, said dividends to be cumulative after June 30, 1918. The Readjustment Managers reserve the right to substitute Income Bonds for preferred stock. \$82,839,585 common stock will also be issued.

OF RAILROADS

435

The cash requirements to carry out the Plan amount to \$41,419,792. The Plan follows:

SCHEDULE OF PARTICIPATION IN DISTRIBUTION OF NEW SECURITIES BY HOLDERS OF EXISTING SECURITIES PARTICIPATING IN THE PLAN.

Existing Securities		New First and Refunding Mortgage 5% Bonds		New General Mortgage 4% Bonds		New 5% Preferred Stock or 5% Income Bonds	
Amount	Description	Per Cent.	Amount	Per Cent.	Amount	Per Cent.	Amount
\$14,904,000	Missouri Pacific Consolidated First 6s.....	110	\$16,394,400				
\$14,375,000	Missouri Pacific Collateral Trust 5s of 1917.....	100	14,375,000				
\$9,636,000	Missouri Pacific Collateral Mortgage 5s of 1920.....	100	9,636,000				
\$37,255,000	Missouri Pacific Gold Loan 4s.....					100	\$37,255,000
\$29,806,000	Missouri Pacific First and Refunding 5s.....					100	29,806,000
\$650,000	Missouri Pacific Lexington Division First 5s.....					100	650,000
\$3,972,000	Kansas & Colorado Pacific 6s.....					100	3,972,000
\$3,459,000	Central Branch 4s.....			50	\$1,729,500	50	1,729,500
\$2,500,000	Central Branch Union Pacific 4s.....			50	1,250,000	50	1,250,000
\$520,000	Leroy and Caney Valley First 5s.....					100	520,000
\$1,024,000	Kansas City Northwestern 5s.....					100	1,024,000
\$500,000	Boonville, St. Louis and Southern 5s.....					100	500,000
\$4,175,000	Iron Mountain First and Refunding 6s.....	105	4,383,750				
\$393,000	Little Rock Junction First Consolidated 6s, guaranteed by Iron Mountain Company.....	100	393,000				
\$1,741,000	Texas and Pacific Notes endorsed by Iron Mountain Company.....	100	1,741,000				
\$82,839,585	Missouri Pacific Stock (assumed \$50 per share)*.....			*50	*41,419,792		*
\$45,135	Iron Mountain Company Stock outstanding.....					100	45,135
	Total.....		\$46,923,150		\$44,399,292		\$76,751,635

\*The holders of stock of the Missouri Pacific Ry. will also receive \$82,829,585 (100%) in common stock of the new company.

A large majority of the above bond issues have defaulted payment of interest.

In May, 1906, an initial semi-annual dividend of 2% was paid on the preferred stock. The preferred stock is limited to non-cumulative dividends of 4% per annum. Dividends at that rate were paid from 1906 to November, 1913, inclusive.

While the surplus for 1906-7 amounted to about 28% on the preferred stock, the "margin of safety" for dividends was by no means so large as the statement of this fact would indicate, because of the relatively small amount of preferred stock. In 1907-8 about 10% was earned on the preferred stock, in 1908-9 about 10½%, in 1909-10 about 8%, in 1910-11 about 14%, in 1911-12, 0.13%, in 1912-13, 17.8%, in 1913-14, 4.15% and in 1914-15, 11.3%.

#### BONDS.

On June 30, 1905, there were outstanding Equipment Obligations to the amount of \$4,591,536, retireable in installments prior to June 30, 1911. The payments of these installments required large appropriations from surplus each year. In 1906, a new mortgage was authorized securing an issue of \$20,000,000 General Mortgage 4½% Sinking Fund bonds, due 1936. Of this issue \$13,170,000 had been sold to June 30, 1915, of which amount \$10,000,000 was sold in 1906, largely to stockholders at 87½%. The balance (\$3,170,000) was sold in 1909. On June 30, 1915, \$10,525,000 bonds of this issue were in the hands of the public, \$2,645,000 were held alive in the Sinking Fund, and \$6,830,000 were pledged as part collateral for the Consolidated Mortgage. The proceeds from the sale of these bonds were used to retire equipment obligations, for improvements, etc.

In 1904-5, the stockholders authorized \$40,000,000 First and Refunding Mortgage 4% bonds, due 2004. Of this issue \$13,000,000 were reserved to retire divisional bonds at or before maturity, and \$27,000,000 were available for future purposes of the company. First and Refunding Mortgage bonds outstanding June 30, 1915, \$9,992,000; owned and pledged, \$448,000.

#### TEXAS CENTRAL R. R. ACQUIRED.

In June, 1910, practically all of the stock of the Texas Central R. R. was purchased. On June 30, 1915, all except \$17,700 of the \$1,325,000 preferred stock and \$2,675,000 common stock was owned by the Missouri, Kansas & Texas Ry. The \$1,850,000 and \$150,000 5% and 4% bonds of the Texas Central R. R. have been assumed by the Missouri, Kansas & Texas Ry., and since July 1, 1910, the operations of that company have been merged with

those of the latter. The Texas Central R. R. extends from Waco, Texas, westward, via Stamford, to Rotan, Tex., with a branch (309 miles).

#### WICHITA FALLS & NORTHWESTERN RY. ACQUIRED

In 1911, the Missouri, Kansas & Texas Ry. purchased the entire \$2,000,000 capital stock of the Wichita Falls & Northwestern Ry., which company owned the Wichita Falls & Southern Ry. The Missouri, Kansas & Texas Ry. assumed the bonds of this company, aggregating \$7,902,000 (\$1,057,000 owned by M. K. & T. Ry. and pledged). These companies operated on June 30, 1915, a system of railways, aggregating 429 miles. These lines are located in Northern Texas and in Oklahoma, and connect with the Wichita Falls (Texas) division of the Missouri, Kansas & Texas Ry.

The operations of the Wichita Falls Lines have been included in the System's earnings since November 1, 1912.

#### SECURED NOTES.

To refund \$16,000,000 Two-year Notes at maturity and for other purposes, the company issued May 1, 1913, \$19,000,000 5% Notes due May 1, 1915. At maturity, the company requested the Noteholders to accept, in lieu of cash, par in 6% one-year Notes. Holders of about 95% of the Notes accepted the proposal as did holders of \$2,733,250 short time bank loans. Suits having been brought against the company by Noteholders not assenting to the extension of the Notes and other suits having been threatened, it was decided, September 27, 1915, to place the company in the hands of a Receiver. Since the date of the Receivership the company has defaulted on a large majority of its bonds, including the First Mortgage bonds.

#### FINANCES—GENERAL.

The stockholders in 1910, authorized a new mortgage known as the Consolidated Mortgage, securing an issue of thirty-year gold bonds limited to \$125,000,000, bearing such rate of interest, not exceeding 5% as may be determined. These bonds will be available for additions, equipment, new terminals, for refunding purposes, etc. To June 30, 1915, \$30,292,000 of these bonds were delivered to the company, all of which were pledged as collateral for the \$19,000,000 Notes.

On June 30, 1915, Working Assets were \$5,838,503 and Working Liabilities were \$7,979,029. The company held in addition unpledged securities in its treasury at a book value of \$324,429. There was a credit balance to Profit and Loss of \$6,408,081.

It was announced on December 16, 1915, that a considerable majority of the Gold Loan 4% bonds, the First and Refunding 5% bonds, and the Kansas & Colorado Pacific 6% bonds have been deposited under the Plan, likewise large amounts of the various other bonds as above. About \$37,000,000 (40%) of the stock had been deposited prior to the date mentioned, while additional large amounts have been pledged for deposit (the amount had been increased to \$47,425,800 as of March 8, 1916).

### RIO GRANDE SOUTHERN R. R.

See Table, page 176.

The majority, or \$3,579,737, of the stock of this company is owned by the Denver & Rio Grande R. R., which guarantees \$2,277,000 (more than half) of the company's 4% bonds. On June 30, 1915, \$1,777,000 bonds of this company were held in the treasury of the Denver & Rio Grande R. R.

This is a narrow-gauge road.

On June 30, 1915, Current Assets, including \$31,567 material supplies, were \$146,702, and Current Liabilities were \$362,483. There was a debit balance to Profit and Loss of \$152,446.

The company's property sustained heavy damages in 1911-12 on account of floods. Operations were suspended over large portions of the main line for over three months, causing a considerable loss in Operating Revenues. During 1911-12 and 1912-13, \$207,000 was expended in the work of restoration.

Products of Mines contributed 71.3% of total tonnage handled in 1914-15 (66%, 1913-14).

### ST. JOSEPH & GRAND ISLAND RY.

See Table, page 177.

The first preferred stock is entitled to non-cumulative dividends of 5% per annum. The second preferred is entitled to non-cumulative dividends of 4% per annum.

The first preferred received 5% in 1898, 1901 and 1902, and 3% in 1899 and 1900. Dividends were passed in January, 1903.

### STOCK OWNERSHIP BY UNION PACIFIC R. R.

On June 30, 1915, the Union Pacific R. R. owned stock of this company as follows: First preferred, \$2,962,340; second preferred, \$3,009,650, and common, \$4,203,700. The average prices paid for the stock was approximately: \$53.91 per share for the first preferred, \$37.49 per share for the second preferred, and \$20.07 per share for the common stock.

### IMPROVEMENT WORK.

The annual reports for 1906-7 and 1908-9 stated that large expenditures (estimated respectively at \$546,735 and \$1,319,692) would

be required for rail renewals, grade revision, new ballast, new steel bridges, etc.

The annual reports for 1909-10 to 1914-15, inclusive, stated that there was expended during these years account of improvements mentioned in previous reports the aggregate sum of \$741,986, of which \$238,353 was charged to Operating Expenses and the balance, \$503,633 was charged to Additions and Betterments.

As of June 30, 1915, there remained to be expended \$898,050 for account of the necessary improvements referred to above. Upon completion of these improvements, all of the 258 miles owned will have been relaid with 75-pound rail and all but 96 miles will have been ballasted. As of June 30, 1913, 200 miles of road contained 75-pound steel rail.

"With the exception," the report (1909-10) stated, "of bonds to the amount of \$1,000,000, to be issued for the construction of additional lines of railroad at not to exceed \$6,000 per mile, the company has issued all the bonds which it is authorized to issue under the existing mortgage. All expenditures and betterments have, therefore, to be supplied from the future net earnings of the company."

The report for 1910-11 stated that in addition to the necessary improvements an extension from Hastings, Neb., to a point on the Union Pacific R. R. (about 26 miles) should be built. The \$1,000,000 bonds issuable at \$6,000 per mile for new line would not, the report stated, suffice at present prices to pay for the cost of rails, ties and fastenings. No reference was made in either annual report as to whether or not it was practicable or feasible to authorize a new mortgage.

It was stated in 1912, that a new mortgage to cover \$15,000,000 bonds would be authorized. An injunction was later filed by the Minority Stockholders preventing the issuance of these bonds.

#### GENERAL.

During recent years a large number of freight train cars have either been dismantled or converted into service cars. As of June 30, 1915, there were 565 freight cars in the Company's service as compared with 682 June 30, 1913, 1,010 June 30, 1909, and 1,060 on June 30, 1906. The Company has no equipment obligations outstanding.

On June 30, 1915, Current Assets, including \$168,130 material, fuel and supplies, were \$376,520, and Current Liabilities were \$633,870.

#### SUIT INSTITUTED BY MINORITY STOCKHOLDERS.

A suit was several years ago instituted in behalf of the minority preferred stockholders demanding an accounting from the Union Pacific R. R. of all moneys theretofore expended either out of surplus or current earnings of the St. Joseph & Grand Island Ry., an

injunction restraining it from using further funds of the company and the appointment of a Receiver. The following in regard to the bill of complaint is quoted from the *Commercial and Financial Chronicle* of November 11, 1911:

"The bill of complaint alleges that for the purpose of developing the 118 miles of the St. Joseph & Grand Island Ry. tracks between Upland and Hastings, Neb., as a part of the Union Pacific R. R. main line from Kansas City and Topeka to the West, the Union Pacific has partially completed a costly reproduction of that part of the St. Joseph & Grand Island Ry. The cost of the work, it is stated, has absorbed most of the accumulated surplus and a large part of the earnings of the road, the remainder of the tracks being neglected, necessary improvements omitted, rolling stock and equipment being allowed to fall into disrepair and the acquisition of new equipment delayed and neglected. Nothing in the nature of the company's business on this 118 miles, it is said, justifies this standard of construction.

"The Union Pacific R. R., it is alleged, intends to make a connection with its Omaha line at Gibbon, Neb., by constructing about 26 miles of new line from Hastings, on the St. Joe, at a cost of about \$1,250,000 to the St. Joseph & Grand Island Ry., but has not formulated any plans for the improvement of the road west of Hastings, at which point the usefulness of the St. Joseph & Grand Island Ry. tracks for Union Pacific R. R. main line traffic purposes ceases.

"Judge Robert S. Lovett, then chairman of the Union Pacific R. R. and the Southern Pacific, issued a statement in reply, saying:

"We are applying to the St. Joseph & Grand Island Ry. the same policy of management that is observed in the conduct of the affairs of the Union Pacific and Southern Pacific Systems throughout. We are managing the property exactly as we would if we owned every share of each class of stock. The improvements made and being made upon the property are not for the benefit of the Union Pacific R. R., but to enable the St. Joseph & Grand Island Ry. to handle the business which the Union Pacific R. R. has to turn over to it."

We quote herewith from the annual report of 1913-14, the remarks of President Graham G. Lacy of the St. Joseph & Grand Island R. R., which refer to the Minority Stockholders' suit:

"The litigation instituted by certain stockholders, referred to in the annual reports for the fiscal years ending June 30, 1913, and June 30, 1912, has not been finally disposed of. A decision therein was rendered May 27, 1914, by the United States District Court for the District of Nebraska, holding that the Union Pacific R. R. and this Company were competitors for interstate traffic amounting to some \$48,000 in annual revenue to this Company and some \$18,000 in annual revenue to the Union Pacific R. R.; that although the whole

amount of this traffic carried by both roads was less than one-tenth of one per cent. of the total revenue of the Union Pacific and was only 3.88 per cent. of the total revenue to this Company, it constituted a substantial amount of traffic subject to competition; and that, therefore, the ownership by the Union Pacific R. R. of a majority of the capital stock of this Company, enjoined this Company from making any further expenditures for the reconstruction of that portion of its line lying between Upland, Kan., and Hastings, Neb., or acquiring by purchase or lease the railroad of the Hastings & Northwestern Ry. extending from Hastings to Gibbon, Neb., except upon authority of a board of directors chosen by stockholders other than the Union Pacific R. R., and provided that unless within sixty days from the entry of the decree the management and control of this Company should be surrendered to a board of directors chosen by stockholders other than the Union Pacific R. R., a receiver of this Company and of all its property and franchises would be appointed by the court. An appeal from this decree to the United States Circuit Court of Appeals was taken both by this Company and by the Union Pacific R. R. and the decree was superseded and its enforcement stayed pending the appeal. The appeal has been perfected and is set for argument in the Court of Appeals on January 19, 1915."

In the report for 1914-15, President Lacy again referred to the suit. His remarks follow:

"When the last annual report was issued appeals were pending from the decree of the United States District Court in the litigation instituted by certain stockholders, which has been explained in previous annual reports. On July 9, 1915, the Circuit Court of Appeals rendered a decision reversing the decree of the District Court. The Circuit Court of Appeals held (1) that the lower Court erred in decreeing that the control of this Company by the Union Pacific R. R. through stock ownership was in violation of the Sherman Anti-trust Law, and (2) that the Union Pacific R. R. had not abused its power as majority stockholder, the evidence disclosing that the management, so far as income results were concerned, had improved after that company acquired its stockholding, and it being considered by the Court that the expenditures of income in improvements of certain portions of the road, which was criticized by plaintiffs, was justified and necessary for the proper handling of the traffic which it was designed to accommodate, but (3) that this Company should be enjoined while controlled by the Union Pacific R. R. from purchasing the cut-off between Hastings and Gibbon, Nebraska, a purchase not immediately contemplated but which had been considered as a possibility in the future in the event of an improved financial condition of the Company. It cannot now be stated whether this litigation will be continued by a further appeal on the part of the plaintiffs to the United States Supreme Court."



## ST. LOUIS &amp; SAN FRANCISCO R. R.

See Table, page 178.

On May 27, 1913, Receivers were appointed for the St. Louis and San Francisco R. R., also for the Chicago & Eastern Illinois R. R. (which see). The St. Louis & San Francisco R. R. defaulted its guaranteed dividends on the "Frisco" C. & E. I. R. R. preferred and common stock certificates (see below). The "Frisco" also defaulted principal and interest on the \$2,250,000 5% Notes which matured June 1, 1913; also on the 2-year 6% Notes due September 1, 1914. Interest was also defaulted on the New Orleans, Texas & Mexico Division 4½% and 5% bonds, due 1940, \$28,582,930 outstanding, Receivers having been appointed for the N. O., T. & M. R. R. (see following). Interest was defaulted likewise on the General Lien Mortgage 5% bonds, the Refunding Mortgage bonds, although interest on the latter issue has been advanced by the Protective Committee, and on the \$2,880,000 5% bonds of the Ozark & Cherokee Central Ry. which matured October 1, 1913. It was agreed by a large majority of the holders of the latter issue of bonds that the "Frisco" be allowed two years to pay off the principal; 5% per annum interest and \$10,000 a month for improvements to be paid by the "Frisco" during said period.

In 1905, quarterly dividends at the rate of 4% per annum were paid on the first and second preferred stocks. The March, 1906, dividend on the second preferred stock was passed and no payments have since been made. Dividends were paid on the second preferred stock from 1897 to 1906, although not always at the full rate. First preferred dividends were paid quarterly, beginning February until August, 1913.

## HISTORY.

In 1900-1, the principal lines of the Kansas City, Fort Scott & Memphis R. R. were conveyed to the Kansas City, Fort Scott & Memphis Ry. The purchasing company issued \$13,510,000 non-cumulative preferred stock and \$11,650,000 4% Refunding bonds. The system so acquired was leased to the "Frisco" at an annual rental of an amount equal to the fixed charges of the lessor company, and a dividend of 4% on the preferred stock issue of the lessor. The preferred stock of the lessor was deposited against trust certificates, entitling the holder to the payment by the "Frisco" of dividends at the rate of 4% per annum, and redeemable and payable by that company at par within twenty years. The "Frisco" also guarantees the principal and interest of the Refunding bonds. These leased lines are now operated as part of the "Frisco" System, and all interest and dividends on the stock trust certificates are included in the System's Fixed Charges. On June 30, 1915, \$25,941,000 Refunding bonds of the Railway were outstanding.

In August, 1902, control of the Chicago & Eastern Illinois R. R. was acquired, the "Frisco" giving in exchange its stock trust certificates (in default since July, 1913). All the common stock and a large majority of the preferred stock has been exchanged. As of June 30, 1913, the Frisco held \$8,402,500 of the preferred stock. Subsequently holders of \$300,000 preferred stock certificates, exchanged same for the original preferred stock. See Chicago & Eastern Illinois R. R.

## FINANCIAL.

For the purpose of unifying the company's bonded debt and to provide for improvements, etc., the company executed a mortgage, dated June 30, 1901, to secure an issue of Refunding 4% bonds to the amount of \$85,000,000, of which amount \$59,000,000 were reserved to retire underlying bonds. Total Refunding bonds outstanding on June 30, 1915, were \$68,562,000, issued as follows: about \$45,610,000 to retire underlying bonds; \$9,500,000 for improvements, etc., and about \$13,450,000 for additions, extensions, etc.

The annual saving in interest by reason of the refunding up to June 30, 1915, amounted to not more than \$50,000.

The July, 1914, and subsequent coupons have not been paid by the Receiver. However, the Protective Committee formed in the interest of the bondholder has advanced the necessary interest when desired.

In 1903-4 the St. Louis, Memphis & Southeastern R. R., 665 miles, was acquired by and in 1907-8 was merged with the "Frisco."

The capitalization of the "Frisco" June 30, 1915, as compared with June 30, 1901, was as follows:

	1915	1901
Stock .....	\$50,000,000	\$50,000,000
Bonds & Gtd. Certificates	297,606,588	46,471,125
Miles operated .....	5,252	1,687
Gross .....	\$42,974,573	\$10,173,697
Surplus .....	(def.) 1,284,672	+1,809,856

There were outstanding on June 30, 1915, Equipment Trust Notes and bonds to an aggregate amount of \$6,054,508 (not including \$3,664,000 Frisco Construction Co. Equipment Notes guaranteed by the Frisco). These obligations mature prior to October 1, 1923.

## GENERAL LIEN BONDS.

There was authorized in 1907 an issue of General Lien 15-20-year bonds due May 1, 1927, bearing interest at a rate not to exceed 5% (total authorized \$109,850,400). Under this mortgage \$68,515,400 bonds were reserved for refunding purposes and to take up at or before maturity various bonds and notes, including equipment notes.

In December, 1908, \$30,000,000 of these bonds were sold to Speyer & Co., \$10,000,000 for reimbursement of capital expenditures (including payment of floating debt incurred for improvements, etc.), and the balance for refunding bonds and notes. Additional bonds were sold in each of the following fiscal years to and including 1912-13, so that on June 30, 1915, the total amount outstanding was \$69,384,216. The bonds sold in 1912-13 were largely sold in Paris, less than two months prior to the appointment of Receivers. The November, 1913, coupon was paid by the Receivers. No subsequent coupons have been paid by the Receivers.

#### NEW ORLEANS, TEXAS & MEXICO R. R. LINES.

There were authorized in 1910, \$50,000,000 New Orleans, Texas & Mexico Division First Mortgage Gold bonds (interest not to exceed 5% per annum). Of these bonds, \$28,582,930 have been issued, bearing interest at 5% and 4½%. These bonds were secured by a first mortgage executed by the New Orleans, Texas & Mexico R. R. to reimburse the Frisco for advances made by it for construction, acquisitions, equipment, etc.

The interest on this new issue of bonds, which was payable by the New Orleans, Texas & Mexico R. R., was defaulted September 1, 1913. Receivers were appointed for the New Orleans, Texas & Mexico R. R.

On August 25, 1915, a Plan of Reorganization for the N. O., T. & M. R. R. was announced. Holders of the defaulted 4½% and 5% bonds by paying \$200 per \$1,000 bond were entitled to receive \$200 in First Lien 6% bonds, due 1925, \$500 in non-cumulative 5% Income bonds, due 1935, and \$500 in new stock. If the bondholders do not pay the \$200 cash they will receive per \$1,000 bond \$400 in Income bonds and \$250 in stock. The total amount of new securities authorized and issued follows:

	Authorized	Issuable under plan
First Lien Bonds .....	\$15,000,000	\$6,000,000
Income Bonds .....	15,000,000	14,675,000
Stock .....	25,000,000	15,000,000

The total mileage of the New Orleans, Texas & Mexico R. R. lines comprises 1,007 miles of main line trackage. The road extends from New Orleans, where it uses the terminal properties of the New Orleans Terminal Co. (owned by the Southern Ry.), to Matamoras, Mex., with several branches. The tracks of the Louisiana Ry. & Navigation Co. are used from New Orleans to Baton Rouge (87 miles). From Baton Rouge the line extends via Beaumont, Houston and Brownsville, Tex., to the terminal at Matamoras, Mex., opposite Brownsville.

This road makes no connection with the Frisco and its mileage was not included in the mileage operated by the "Frisco," as

shown on the table page in this book. Its earnings were reported separately. A large deficit was earned annually on the former capitalization.

#### GENERAL.

Jointly with the Southern Ry., the "Frisco" guaranteed principal and interest, \$14,000,000 4% bonds of the New Orleans Terminal Co. On July 1, 1913, the "Frisco" defaulted interest payment of one-half of the amount then due. In May, 1914, the Court held that the "Frisco" had forfeited its half share in the property.

In May, 1903, the Chicago, Rock Island & Pacific R. R. acquired \$27,988,300 of St. Louis & San Francisco R. R. common stock, the latter receiving in exchange per \$100, \$60 in common stock of the Rock Island Company, and \$60 in 5% bonds of 1913 of the Chicago, Rock Island & Pacific R. R. On June 30, 1909, the common stock owned by the latter company was \$28,940,300. In December, 1909, the "Rock Island" sold its holdings in "Frisco" stock and the bonds above mentioned were called for redemption on February 1, 1910. (See Notes under C. R. I. & P. Ry.)

On June 30, 1915, Current Assets (including \$3,260,771 cash and \$3,120,970 supplies on hand) were \$13,977,947, and Current Liabilities (including \$1,078,708 Loans and Bills Payable and \$11,224,265 Matured Interest Unpaid) were \$25,320,673.

Unextinguished discount on Funded Debt June 30, 1915, carried among the assets was \$12,000,783.

During 1909-10, the St. Louis & San Francisco R. R. acquired \$2,375,000 of its own Trust Certificates for C. & E. I. R. R. common stock. \$2,520,000 Certificates were held on June 30, 1915, and were mostly pledged. (See under Chicago & Eastern Illinois R. R.)

#### PLAN OF REORGANIZATION.

Under date of November 1, 1915, a Plan of Reorganization was announced. This Plan, with a few minor changes will likely be adopted. A new company is to be formed which will authorize the following securities:

(1) Prior Lien Mortgage Gold Bonds, \$250,000,000, to bear interest not to exceed 6% per annum. \$93,398,500 are to be issued in partial exchange for existing securities of the Frisco; \$31,811,500 are to be sold to a syndicate or are to be used for corporate purposes, and the balance reserved for refunding bonds, for betterments, and new equipment and for corporate purposes. \$93,398,500 of the bonds to be issued immediately will bear interest at 4% per annum and \$31,811,500 will bear interest at 5% per annum. The bonds mature in 1950. The 4% bonds, Series "A," issued in exchange for existing "Frisco" securities, will bear interest from July 1, 1915; those issued in exchange for K. C., Ft. S. & M. preferred certificates, will bear interest from July 1, 1916. The 5% bonds issued to the former "Frisco" stockholders will carry interest from January 1, 1916.

(2) Cumulative Adjustment Mortgage bonds (limited to \$75,000,000). \$40,547,818 bonds bearing interest at 6% per annum cumulative from July 1, 1915, are to be issued under Plan. These bonds are subject to the Prior Lien bonds.

(3) Income Mortgage Gold bonds (authorized issue \$75,000,000). These bonds will be subject to issues (1) and (2) as above and will be convertible into 6% preferred stock at par under certain conditions. \$35,192,000 5% bonds, maturing 1960, will be issuable under the Plan.

(4) Preferred stock non-cumulative \$7,000,000 (6%, callable at par) to be issued under Plan. Total authorized issue \$200,000,000, dividends never to exceed 7% per annum.

(5) Common stock, \$200,000,000 authorized; \$48,480,000 to be used as per Plan.

Each \$1,000 face value of existing securities will receive:

	Assessment Paid	Cash	Prior Lien Bonds "A" 4%	Prior Lien Bonds "B" 5%	Cumulative Adj. Bonds 6%	Convertible Income Bonds 5%	Common Stock
Refunding Mtg. 4%.....	.....	*	\$750	.....	\$250.00	.....	.....
General Lien 15-20 yr. 5%.....	.....	†	250	.....	283.33	\$550	.....
K. C. Ft. S. & M. Pfd. Cfs.....	.....	.....	750	.....	250.00	.....	.....
Osark & Cher. Cent. Ry. 5%.....	.....	\$17.50	**1250	.....	.....	.....	.....
General Mtg. 6%, 1931.....	.....	125.00	1250	.....	.....	.....	.....
General Mtg. 5%, 1931.....	.....	62.50	1250	.....	.....	.....	.....
1st Pfd. stock.....	\$3500	.....	.....	\$500	.....	.....	\$1000
2d Pfd. stock.....	1500	.....	.....	1500	.....	.....	900
Common Stock.....	1500	.....	.....	1500	.....	.....	820

\*The Refunding Mortgage bondholders will receive cash for coupons due July 1, 1914, January 1, 1915 and July 1, 1915, with interest at 6% per annum from date of maturity of each coupon.

†General Lien bondholders will receive cash for May and November, 1914, coupons with interest at 6% from maturity.

\*\*The Reorganization Managers may substitute \$200 cash for \$250 of the Prior Lien bonds.

‡Holders of the three classes of stock as above will pay \$5 per share when depositing their stock, and at a later date to be announced, the sum of \$45 per share for which they will either receive Prior Lien "B" 5% bonds as above to an amount equal to the assessment (\$50) or cash at 85% flat in lieu of bonds or part cash at 85% and part bonds.

Under the Plan Prior Lien bonds and cash will be offered in exchange for the various underlying bonds of the "Frisco".

The \$28,582,000 New Orleans, Texas & Mexico Division 4½% and 5% bonds have, as stated in a previous paragraph, become the

obligation of the N. O. T. & M. R. R. Their holders will be offered securities in a successor company in exchange for the defaulted bonds. The Reorganization Managers of the "Frisco" have agreed to deliver to the holders of the N. O. T. & M. R. R. bonds upon cancellation of all agreements between the two companies, the following: \$500,000 in cash, \$500,000 in 5% Income Bonds and \$636,800 in preferred stock, also to deliver to the N. O. T. & M. R. R. certain securities.

Holders of "Frisco" C. & E. I. R. R. Certificates (\$12,153,750 preferred and \$16,944,500 common) will receive the stock deposited as collateral for the certificates. In addition holders of the preferred certificates will receive \$18 in "Frisco" new preferred stock and \$2.50 in common stock. The holders of common certificates will receive \$30 in new "Frisco" 6% preferred stock and \$4.25 in new common stock.

### ST. LOUIS SOUTHWESTERN RY.

See Table, page 179.

The preferred stock is entitled to 5% non-cumulative dividends. An initial dividend of 2% was paid in July, 1909. In 1910, 5% was paid. In January, 1911, the semi-annual dividend was reduced to 2%, which amount was paid in July, 1911, and in January, 1912. Beginning July, 1912, the rate was raised to 5% per annum, paid quarterly; in October the quarterly dividend was reduced from 1¼% to 1%. In January, 1914, 1% was paid; in April, 1914, ½% was paid; no subsequent payments have been made.

The Income bonds are limited to non-cumulative interest of 4% per annum. Interest is paid semi-annually in January and July.

To June 30, 1915, \$6,957,500 of the \$10,000,000 Income bonds had been exchanged at the rate of 90% of their par value for new First Consolidated Mortgage 4% bonds. In addition to the \$6,260,450 First Consolidated bonds issued for the Income bonds as described, \$16,001,300 of this issue had been sold to June 30, 1915, for cash to acquire Equipment Trust Obligations, to purchase new equipment and for other purposes.

On June 30, 1915, the total amount of Equipment Notes issued was \$8,276,833, but of this amount the company had acquired from the proceeds of the sale of First Consolidated bonds, \$5,546,833. The Notes acquired are kept alive as security for the First Consolidated Mortgage bonds. The balance of these Notes outstanding in the hands of the public was on June 30, 1915, \$2,730,000.

\$100,000,000 First Terminal and Unifying 5% bonds due 1952 were authorized in 1912. \$8,155,000 of these bonds were sold prior to June 30, 1915, \$871,000 bonds were in the company's treasury on that date, and \$2,420,000 were pledged. Profit and Loss was charged in 1911-12 and 1912-13, \$1,233,965, and \$220,110 respectively for Extinguishment of Discount on bonds sold.

Main track (not including trackage) included, June 30, 1915:

9 miles of 85-pound steel,	45 miles of 60-pound steel,
1,045 miles of 75-pound steel,	383 miles of 56-pound steel,
	31 miles of 70-pound steel.

The balance sheet of June 30, 1915, showed Current Assets, \$3,474,583 (of which \$1,522,262 were supplies), and Current Liabilities amounting to \$3,761,854.

The St. Louis Southwestern Ry. guarantees both as to principal and interest, the Shreveport Bridge & Terminal Co. First Mortgage 5% bonds (authorized \$500,000; issued \$450,000) due 1955, and the Gray's Point Terminal Ry. 5% bonds (\$1,338,000 issued, \$838,000 owned by St. Louis Southwestern Ry.) The property of this company is leased by the St. Louis Southwestern Ry. for 50 years from August 1, 1906.

In April, 1910, the Stephenville, North & South Texas R. R. was acquired. This company operates 106 miles; \$2,607,000 5% bonds due 1940 were outstanding June 30, 1915, guaranteed principal and interest, by the St. Louis Southwestern Ry. \$184,000 additional of the bonds were owned by the latter company.

The St. Louis Southwestern Ry. has leased for 30 years from July 1, 1910, with privilege of purchase on payment of bonds, the Central Arkansas & Eastern R. R. (about 45 miles operated on June 30, 1915). \$1,085,000 5% bonds due July 1, 1940, have been sold, guaranteed by the St. Louis Southwestern Ry.

The total amount of bonds guaranteed by the St. Louis Southwestern Ry. on June 30, 1915, was \$10,038,467.

Of the mileage operated during 1914-15, 241 miles were used jointly with other railroads. This mileage represents the company's entire mileage east of the Mississippi River, together with the line from Brinkley, Ark., to Memphis, Tenn., which latter line is used jointly with the "Rock Island."

In 1914-15, Products of Forest contributed 37% of the total tonnage carried. 59% of the total tonnage originated on the lines of the company.

### SAN ANTONIO & ARANSAS PASS RY.

See Table, page 180.

This company operates 724 miles of railway located wholly in the State of Texas, the main lines extend from San Antonio to Houston (238 miles), and from Yoakum to Waco (171 miles). There are also several branches.

This railway was formerly managed by the Southern Pacific Co. but separation of the lines was ordered by the Texas Railway Commission in 1903-4. The \$17,544,000 First Mortgage bonds due January 1, 1943, are guaranteed as to principal and interest by the Southern Pacific Co.





On December 27, 1915, the Bankers Trust Co., as trustee, filed suit for the appointment of a Receiver for Texas & Pacific Ry. because of the failure of the latter to pay interest on its Second Mortgage Income bonds; likewise B. F. Bush, Receiver of the Missouri Pacific System filed suit to enforce payment of \$842,000 unsecured 6% Notes (held by the "Iron Mountain") which matured July 1, 1915. Late in February, 1916, the Court denied the application of the Bankers' Trust Co. of New York, for the appointment of a Receiver.

### GREAT NORTHERN RY.

See Table, page 182.

Dividends are being paid at the rate of 7% per annum, quarterly beginning February.

The following sums have been transferred from surplus earnings to Fund for Permanent Improvements and Renewals:

Year 1901-2.....	\$2,000,000	Year 1908-9.....	\$2,789,961
Year 1902-3.....	3,000,000	Year 1909-10.....	2,319,158
Year 1903-4.....	2,000,000	Year 1910-11.....	2,618,338
Year 1904-5.....	3,000,000	Year 1911-12.....	3,502,000
Year 1905-6.....	5,130,910	Year 1912-13.....	4,250,000
Year 1906-7.....	4,934,976	Year 1913-14.....	1,000,000
Year 1907-8.....	2,468,832	Year 1914-15.....	1,000,000

The unexpended balance of the Fund for Permanent Improvements and Betterments was on June 30, 1915, \$5,342,722, and the amounts set aside for Depreciation of Equipment then in service showed a credit of \$26,541,818.

The Oregon Short Line R. R. (Union Pacific System) sold in 1908-9 the remaining balance (\$3,578,600) of stock owned of the Great Northern Ry. On June 30, 1905, the former owned the equivalent of \$22,503,297 capital stock of the Great Northern Ry.

To June 30, 1915, the Great Northern Ry. and Northern Pacific Ry. had acquired \$107,613,500 (being 97% of the total authorized issue) of the Chicago, Burlington & Quincy R. R. stock in exchange for their joint 20-year 4% bonds, secured by deposit of the stock in trust, on the basis of \$200 in bonds for each \$100 stock.

### STOCK ISSUED.

Since January, 1900, new stock has been sold to stockholders at par as follows:

1900	To stockholders at par.....	\$9,000,000
1901	" " " " .....	25,000,000
1905-6	" " " " .....	25,000,000
1906-7	" " " " .....	60,000,000
1912-13	" " " " .....	21,000,000
1914-15	" " " " .....	18,478,472

**\$158,478,472**

The sale of this \$158,478,472 stock since January, 1900, explains largely the increase in outstanding stock from \$89,226,610 June 30, 1899, to \$249,476,722. The \$1,771,640 stock issued during the above period which was not sold at par, was largely exchanged for stock of the St. Paul, Minneapolis & Manitoba Ry. or was issued to acquire other securities.

#### IRON ORE PROPERTIES.

In the year 1906, the Great Northern Ry. Iron Ore Properties were leased by companies controlled by the United States Steel Corporation. The price to be paid for the ore was \$1.65 per ton, delivered at the upper lake docks, with an increase of 3.4 cents per ton each succeeding year. The minimum agreed to be mined was 750,000 tons for the year 1907, to be increased by 750,000 tons per year until 8,250,000 tons were mined. The lease was made perpetual until the ore should be exhausted, except that the Steel Corporation was given the right to terminate the lease on January 1, 1915. The Steel Corporation having voted to surrender the lease, notice was given that the lease would be cancelled on January 1, 1915.

In 1906, the stockholders of the Great Northern Ry. received, unit for unit, certificates of interest in the company's ore properties, and accordingly the ore certificates (1,500,000 shares) were distributed to the stockholders of the Great Northern Ry.

In September, 1907, a first dividend of \$1.00 was paid on the ore certificates; in March, 1908, and in September, 1909, dividends of \$1.00 each were paid. In March, 1910, September, 1910, December, 1910, March, 1911, December, 1912, November, 1913, December, 1914 and December, 1915 dividends of 50 cents each were paid.

To December 31, 1915, dividends aggregating \$10,500,000 had been paid on the certificates.

According to estimates made as of January 1, 1912, there were at that date contained in the various properties, 430,021,773 tons of iron ore in lands aggregating 65,091 acres.

#### SPOKANE, PORTLAND & SEATTLE RY.

The Great Northern Ry. jointly with the Northern Pacific Ry. controls the Spokane, Portland & Seattle Ry. This line, largely completed, extends from Portland, Ore., to Spokane, Wash. (total, with branch, June 30, 1915, 557 miles), and affords a through line between these points. The Great Northern Ry. and the Northern Pacific Ry. had advanced large amounts towards the construction of this line. In payment for these advances, the Spokane, Portland & Seattle Ry. has delivered to the two parent companies jointly, but for equal division among them, \$40,000,000 stock, plus approximately \$73,710,000 First Mortgage 4% Fifty-year.

bonds, dated March 1, 1911. The bonds bear the joint guaranty of the two parent companies. The bonds had not been sold to December 31, 1915, approximately \$36,855,000 being held on that date by or in the interest of each of the parent companies. (See Northern Pacific Ry.)

Under authorization given at the annual stockholders' meeting held October 10, 1907, the Great Northern Ry. purchased and now holds title to properties previously operated independently, the earnings of which were for the most part previously included in the total System earnings. The properties, etc., purchased had cost and were carried on the books of the selling companies at the aggregate amount of \$246,037,322, and they were taken up on the books of the Great Northern Ry. at the amount of \$241,999,577.

#### DISPOSITION OF PROCEEDS OF CAPITAL STOCK ISSUED.

The company's reports for past years have stated the purposes for which stock issues have been made and have listed the securities acquired in exchange for the company's capital stock or purchased with proceeds of stock issued for cash. As the larger portion of these securities were used in part payment for the railways, equipment and other property purchased, a general statement of the disposition of the amount realized by the company from the total share capital issued to June 30, 1908, is given as follows: (only \$28,000 stock was issued in 1908-9, 1909-10, 1910-11 and 1911-12; \$21,000,000 new stock was offered for subscription in 1912-13, and \$18,478,472 was sold in 1914-15, as referred to in a following paragraph):

The cost of securities, acquired in exchange for Great Northern Ry.'s stock or with cash realized from issues of that stock, less cost of such securities as had been disposed of to June 30, 1908, was .....	\$108,559,308.26
Of these securities, stocks costing .....	77,846,704.98
Leaving as the cost of securities on hand, same forming a portion of the securities in the company's treasury on June 30, 1908.....	\$30,712,603.28
The cost of the securities remaining on hand (June 30, 1908), may be classified as follows:	
Bonds of a par value of \$18,945,969.70 issued by Cos. purchased by the Great Northern Ry., and the payment of which bonds has been assumed by the Great Northern Ry. as a part of the purchase price. Cost .....	\$19,203,753.51

Stocks and bonds of Canadian Cos. forming a portion of the System and operated by the Great Northern Ry., and stocks and bonds of Terminal Cos., Proprietary Cos. and of Kootenay Ry. & Nav. Co., Ltd., etc., and stocks of the Great Northern Steamship Co. and Northern Steamship Co. (operated independently) .....	11,508,849.77
Total .....	\$30,712,603.28
Par value of Great Northern Ry. stock issued and outstanding June 30, 1908 .....	\$209,962,750.00
Cost of securities acquired with Great Northern Ry. stock or the cash proceeds therefrom, as above. .	108,559,308.26
Balance, Cash realized from Great Northern Ry. stock issued and not invested in securities .....	\$101,403,441.74
 This balance was used in part payment of:	
Amounts advanced Proprietary Cos. and expended for construction and equipment, less net assets taken over and used in reduction of said advances, that were written off as payment in part of the railways, etc., purchased from said companies. .	\$30,363,080.91
Cost of property, equipment, etc., from time to time purchased by the Great Northern Ry. and heretofore carried in "Cost of Properties and Securities Owned by the Great Northern Ry." .....	25,702,151.04
Amounts expended during the fiscal year ended June 30, 1908, for construction, equipment and additions .....	16,396,136.27
Construction advances to June 30, 1908, to Proprietary Cos. whose properties were independently operated, and cost of stocks and amounts advanced on Construction Account to June 30, 1908, to Canadian Cos. whose properties are operated as a portion of the Great Northern System (largely to Vancouver, Victoria & Eastern Ry. & Navigation Co.) .....	22,008,324.70
Amount advanced to June 30, 1908, towards the construction of the Spokane, Portland & Seattle Ry. Co.'s lines of railway .....	21,827,521.24
Portion of purchase price paid for retirement of shares of certain other companies .....	590,071.19
Total .....	\$116,887,285.35

NOTE: During recent years there have been advanced large additional sums to the "Controlled Canadian Cos.," mentioned above. The total investment in the Vancouver, Victoria & Eastern Ry. & Navigation Co. on June 30, 1915, amounted to \$21,881,524.

The Directors on February 11, 1914, authorized \$19,000,000 new stock to be offered pro rata at par to stockholders of record March 26, 1914. Likewise in 1912-13, \$21,000,000 stock was sold to stockholders at par.

## BONDS ASSUMED.

In part payment for the railroads and other properties acquired from the St. Paul, Minneapolis & Manitoba Ry. and from sundry proprietary companies, the Great Northern Ry. assumed the payment of the principal and interest of bonds which had been issued by those companies and were outstanding to the amount of .....	\$125,897,909.09
Of this amount there were outstanding in the hands of the public (June 30, 1908; see paragraph below) .....	97,455,939.39

And held (June 30, 1908) as free assets in the company's treasury .....

The \$28,441,970 treasury bonds, referred to last above, were later disposed of as follows: \$11,761,970 sold for cash; \$14,076,000 cancelled, and \$2,604,000 deposited under the new First and Refunding Mortgage (see following).

The amount of bonds outstanding in the hands of the public on June 30, 1915 (\$143,391,909) was \$45,435,970 greater than on June 30, 1908. The net increase 1910-11 was \$34,946,000 bonds; there was a net decrease of \$574,000, \$102,000, \$177,000 and \$87,000 bonds in 1911-12, 1912-13, 1913-14, and 1914-15, respectively.

Capital expenditures made in completing or carrying on the construction of new lines and for preliminary expenses of projected lines, amounted to \$5,064,149, 1908-9; \$2,907,163, 1909-10; \$2,407,367, 1910-11; \$7,394,264, 1911-12; \$6,050,323, 1912-13; \$2,618,980, 1913-14, and \$686,789, 1914-15.

## ASSETS AND LIABILITIES.

The credit balance to Profit and Loss on June 30, 1915, was \$50,446,802, and there had been expended from the Fund for Permanent Improvements and Betterments, \$35,550,920. Current Assets on that date were \$31,063,983 (including material and supplies on hand to the amount of \$4,390,253, but not including securities owned; Current and Accrued Liabilities were \$9,140,654. Securities owned (including C. B. & Q. R. R. stock) were valued at \$224,604,847; there were not included in this total, securities carried in the Property Account as investments. Miscellaneous Investments

and Advances amounted to \$10,435,290. Unexpended balances (credits) in Sundry Funds amounted to \$34,238,214, including \$5,342,722 Fund for Permanent Improvements and Betterments and \$26,541,818 set aside for Depreciation of Equipment.

## RAIL STATEMENT, ETC.

On June 30, 1915, weight of rail in main track (7,822 miles), was as follows:

2,209 miles of 90-pound rail,	25 miles of 72-pound rail,
656 miles of 85-pound rail,	224 miles of 70-pound rail,
456 miles of 80-pound rail,	669 miles of 68-pound rail,
748 miles of 77½-pound rail,	102 miles of 66½-pound rail,
578 miles of 75-pound rail,	1,001 miles of 60-pound rail,
1,155 miles of 56-pound rail. -	

On June 30, 1915, there were 1,317 locomotives in service, against 707 on June 30, 1905. Freight cars during the same period increased from 31,277 to 55,664. There was also a large increase in passenger equipment.

## MINNESOTA RATE CASE.

We quote the following remarks made by the president of the Great Northern Ry. in the annual report for 1909-10:

"The last three annual reports have referred to suits brought in 1907 by stockholders of the Company to set aside, on constitutional grounds, certain freight and passenger rates fixed by the State of Minnesota. In these suits the main propositions asserted on behalf of the Company were (1) that it was entitled to earn a fair return on the value of all property devoted to railroad use; (2) that the cost of reproduction was the minimum value of its property for rate purposes; (3) that the value of its property, thus ascertained, was largely in excess of its outstanding stock and bonds; (4) that the Minnesota rates were a necessary interference with the Company's interstate rates, and therefore were unlawful; (5) that the Minnesota rates, when applied to intra-state business alone, did not produce a reasonable return on the value of the Company's property situate in Minnesota and apportioned to Minnesota business, and, therefore, were unlawful. Upon the completion of the testimony, the Master-in-Chancery filed his report, finding in favor of the Company upon each of these several propositions. His report established the value of all the Company's property at \$457,121,469, the value of its property in Minnesota at \$138,425,291, and held that the Company was entitled to a return of seven per cent. per annum upon these valuations. The important points involved in this litigation can only finally be settled by the Supreme Court of the United States, but the facts as found by the Master-in-Chancery, after an exhaustive judicial inquiry, in which all the resources of the State of Minnesota were employed, to place

the lowest possible valuation upon the property of the Company, demonstrate a conservative capitalization and must disarm the prevalent public criticism that American railways are overcapitalized in so far as any one may seek to apply it to this Company."

On April 8, 1911, the Judge of the U. S. Circuit Court for the District of Minnesota handed down an opinion in the Minnesota Rate Case, fully confirming the findings of the Master-in-Chancery. An appeal was taken to the Supreme Court of the United States.

On June 9, 1913, the Supreme Court rendered a decision, reversing the Circuit Court, and holding that the complainants failed to prove the State-made rates confiscatory or a direct interference with interstate commerce.

#### FIRST AND REFUNDING MORTGAGE.

As of May 1, 1911, the Great Northern Ry. executed a mortgage to secure an issue of not to exceed \$600,000,000 First and Refunding Mortgage gold bonds, maturing July 1, 1961, and bearing interest payable January 1 and July 1, at not exceeding 5% per annum.

By the terms of the First and Refunding Gold Bond Mortgage, prior mortgages become closed and no additional bonds may be issued thereunder.

The \$600,000,000, face value, of First and Refunding Mortgage bonds provided for by the new mortgage were issuable:

\$332,162,000 for refunding prior mortgage bonds and Northern Pacific-Great Northern C. B. & Q. Collateral 4% Joint bonds;

\$100,000,000 at a rate not exceeding \$3,000,000 per annum, for construction or acquisition of railways and equipment, and for additions, betterments, etc.;

\$92,838,000 to cover cost of acquisition of bonds and stock of other companies;

\$30,000,000 to cover cost of property for the acquisition of which bonds are not otherwise authorized in the mortgage.

\$45,000,000 were issued as 4¼% bonds, upon the execution and delivery of the mortgage. Of this last named amount, \$35,000,000 face value were sold during 1910-11, and \$10,000,000 remained in the company's treasury on June 30, 1911. Additional of these bonds were issued in 1911-12 and subsequent years, respectively, and were held in the treasury on June 30, 1915, making total bonds of this issue held in treasury, \$37,276,000.

#### MINNEAPOLIS & ST. LOUIS R. R.

See Table, page 183.

The preferred stock has a prior right to 5% non-cumulative dividends, and after the common has received 5%, shares with it pro rata in further dividends. Dividends were paid (semi-annually) on the preferred to and including January, 1910. In July, 1910, the preferred dividend was passed. Until 1904, dividends

had been paid for several years on the common stock at the rate of 5%. The dividend on the common stock was passed in July, 1904.

#### MERGER.

The stockholders of the Minneapolis & St. Louis R. R., in 1911, voted to acquire the Iowa Central Ry. The Plan approved by the stockholders of the two companies provided for the sale of the property of the Iowa Central Ry. to the Minneapolis & St. Louis R. R., and for the payment by the former company to the latter company of \$2,500,000 in consideration of the delivery by the latter company of \$1,917,500 of its preferred stock, \$9,370,200 of its common stock, and \$2,500,000 of its Refunding and Extension Mortgage 5% bonds, due February 1, 1962, and redeemable at 105 at any interest period. Said bonds are a part of an authorized issue of \$75,000,000 and are secured by mortgage upon the two railroads, subject to existing liens thereon, and said mortgage through the retirement of the outstanding \$6,250,000 of bonds of the Minnesota, Dakota & Pacific Ry., will also be a first lien upon the railroad and property of the latter company (230 miles). The mortgage will also be a first lien upon contemplated extensions of the Minneapolis & St. Louis R. R. The issue of the \$2,500,000 of bonds above referred to, has not increased the aggregate indebtedness of the companies, as the proceeds were used to take up maturing obligations.

The securities received by the Iowa Central Ry. were required to be distributed upon the following basis:

\$100 of the preferred stock and \$900 of the common stock of the Minneapolis & St. Louis R. R. to be exchanged for each \$1,000 of the preferred stock of the Iowa Central Ry., and \$100 of the common stock of the Minneapolis & St. Louis R. R. to be exchanged for \$200 of the common stock of the Iowa Central Ry.

The \$2,500,000 of Refunding and Extension Mortgage bonds above referred to, were offered for subscription to stockholders of the two companies of record December 26, 1911, *pro rata*, to the extent of 10% of the stock held by them, respectively, together with \$1,250,000 of the preferred stock of the Minneapolis & St. Louis R. R., at a price of \$1,000 for each \$1,000 Refunding and Extension Mortgage bond and \$500 preferred stock. A syndicate was formed for the purpose of purchasing such of the bonds and preferred stock as were not subscribed for by the stockholders.

The cash proceeds from this transaction enabled the properties to discharge obligations maturing, aggregating \$2,100,000, and released underlying bonds aggregating \$1,850,000.

The capitalization of the Minneapolis & St. Louis R. R., after the acquisition by it of the properties of the Iowa Central Ry., was less than the aggregate capitalization of the two separate companies. The outstanding preferred stock of the Minneapolis



& St. Louis R. R. has been increased to \$5,833,060.

The merger of the two companies increased the mileage of the Minneapolis & St. Louis R. R. to 1,586 miles.

The Income Account of the Iowa Central Ry. for a series of years follows:

Year	Avg. Miles			Surplus	Avg. Miles		
	Oper.	Gross			Year	Oper.	Gross
1903-4	558	\$2,377,105	def. \$81,132	1907-8	558	\$3,002,475	\$215,199
1904-5	558	2,588,800	def. 77,074	1908-9	558	3,015,647	def. 227,621
1905-6	558	2,958,587	237,442	1909-10	558	3,945,282	def. 28,664
1906-7	558	3,132,048	445,595	1910-11	559	3,511,537	def. 16,028

The Minneapolis & St. Louis R. R. earnings have been as follows:

Year	Avg. Miles			Surplus	Avg. Miles		
	Oper.	Gross			Year	Oper.	Gross
1903-4	642	\$2,850,565	\$298,078	1907-8	1,005	\$3,826,516	\$108,980
1904-5	730	3,076,756	267,495	1908-9	1,027	4,171,315	def. 96,959
1905-6	799	3,726,665	416,030	1909-10	1,027	4,945,391	77,927
1906-7	798	3,873,668	314,434	1910-11	1,027	5,094,017	76,884

#### GENERAL.

Of the Refunding and Extension Mortgage bonds referred to above, there had been issued to June 30, 1915, \$11,284,000, of which \$7,244,000 were pledged and \$373,472 bonds were in the treasury. Of the First and Refunding 4% bonds (dated 1899, due 1949), \$13,244,000 had been issued.

Main track contained June 30, 1915:

103 miles of 85-pound steel,	33 miles of 66-pound steel,
322 miles of 80-pound steel,	250 miles of 60-pound steel,
701 miles of 70-pound steel,	139 miles of other weights.

#### ACQUISITIONS AND EXTENSIONS.

In 1904, the Minneapolis & St. Louis R. R. acquired by purchase from the Rock Island the controlling interest in the Des Moines & Fort Dodge R. R., 138 miles owned (156 miles operated). The control was obtained by the purchase of \$2,530,000 par value of common stock of that company (total \$4,283,100) at a cost of \$641,678. The Des Moines & Fort Dodge R. R. has outstanding \$763,500 preferred stock, which prior to 1910, received dividends regularly, although at varying rates (entitled to 7%, and sharing with common after 7% paid on that issue). The \$3,072,000 4% First Mortgage bonds of the Des Moines & Fort Dodge R. R. are guaranteed, principal and interest, by the Minneapolis & St. Louis R. R. The Minneapolis & St. Louis R. R. also owns \$514,000 Second Mortgage 5% bonds of the Des Moines & Fort Dodge R. R. (\$500,000 pledged). The Des Moines & Fort Dodge R. R. is leased by the Minneapolis & St. Louis R. R. for thirty years from January 1, 1905, the rental be-

ing all surplus earnings after expenses, interest, betterments, etc. From 1908-9 to 1914-15, the operations of the Des Moines & Fort Dodge R. R. resulted as follows:

	Surplus	Deficit
1908-9 .....		\$12,577
1909-10 .....	\$3,751	
1910-11 .....	108,919	
1911-12 .....		27,421
1912-13 .....	81,667	
1913-14 .....	162,900	
1914-15 .....	147,522	

The deficits of the D. M. & Ft. D. R. R. for 1908-9 and 1911-12 and the net deficits from operation of the Minnesota, Dakota & Pacific Ry. (see following) which amounted to \$103,944 for 1908-9, \$23,073 for 1909-10, \$157,677 for 1910-11, and \$184,438 for 1911-12, were credited back to income of the parent company. On the table page of this book these items are not included in the Income Account.

The Minnesota, Dakota & Pacific Ry. was incorporated in 1906 to construct a railway within the State of South Dakota, from Watertown, S. D., westwardly to Le Beau, on the Missouri River, a distance of about 172 miles, and a branch from Conde, S. D., to Leola, S. D. This new mileage (completed 1907) totals 230 miles. On February 1, 1912, this company was merged with the system. To aid in the construction of this road, the Minneapolis & St. Louis R. R. issued in 1906, \$5,000,000 5% Five-year Notes. These Notes were secured by the entire issue of stock and by \$6,250,000 First Mortgage bonds of the Minnesota, Dakota & Pacific Ry. \$1,000,000 of these Notes were paid off at maturity February, 1911, and the balance (\$4,000,000) extended to February, 1913. The sum of \$25 per \$1,000 Note was paid to those holders who desired to have their Notes extended. \$1,000,000 of these Notes were paid off at maturity. The balance (\$3,000,000) were extended to February 1, 1914, at 6%. The sum of \$15 per \$1,000 Note was paid to the holders who desired to have their Notes extended. \$500,000 of the \$3,000,000 One-year Notes, which matured February 1, 1914, were paid off and the balance \$2,500,000 were extended to February 1, 1916. \$25 per \$1,000 Note was paid to the holders who desired to have the Notes extended. At maturity these Notes were extended at 6% to August 1 1916, pending the carrying out of a Readjustment Plan (see a following paragraph). The extended Notes are subject to call at par on 30 days' notice.

It is proposed to extend the Minneapolis & St. Louis R. R. from Watertown, S. D., to the Canadian border (about 235 miles) where connections will be afforded with the Grand Trunk Pacific Ry. and with the Canadian Northern Ry. The Minneapolis, St.

Louis & Canadian Ry. was incorporated in July, 1912, with \$7,000,000 stock to construct this extension.

Including \$278,153 material and supplies, the Working Assets on June 30, 1915 were \$1,458,793; the Working and Accrued Liabilities were \$8,747,150. Included in the Working Liabilities were \$1,103,811 Sals. Payable.

#### READJUSTMENT PLAN.

Under date of January 31, 1916, a Plan of Readjustment was announced. The Plan, which calls for the formation of a new company, does not disturb any of the bonds or equipment obligations of the Minneapolis & St. Louis Ry. System. Holders of Minneapolis & St. Louis Ry. preferred and common stock are asked to deposit their stock. Each holder of \$100 preferred stock will receive \$20 in new common stock and by paying \$20 will receive an additional \$20 in new common stock. Common stockholders will be entitled under the Plan to receive \$22 in new stock and by paying \$20 will receive \$28 additional in new stock. The cash requirements of the Plan are \$4,530,200 which will be raised by stock subscription to about \$3,600,000 of the proceeds to be used to retire Notes, Bills, etc. The new company will issue \$25,783,550 stock in the Plan, the total amount of stock authorized being \$26,000,000.

#### MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RY.

See Table, page 234.

The preferred stock has priority over the common stock for the accumulation of dividends of 7% per annum, and is entitled to share on a par with the common stock any dividends in excess of 7% paid on the capital stock of the company. Dividends have not been paid in recent years as follows (April and October):

	'02	'03 to '07	'08 to '09	'10-'15
Preferred .....	7%	7%	7%	7%
Common .....	2%	4%	6%	7%

As of June 30, 1915, the Canadian Pacific Ry. owned \$12,723,000 common and \$6,361,800 preferred stock of this company; also \$500 Consolidated 4% bonds.

The Canadian Pacific Ry. guarantees the interest on practically all of this company's bonds, including the Consols.

On April 1, 1909, by the expenditure of \$3,661,121, the Minneapolis, St. Paul and Sault Ste. Marie Ry. acquired about 51% of the outstanding common stock of the Wisconsin Central Ry. The company also secured practically all of the preferred stock of the Wisconsin Central Ry. The latter company has been leased for 99 years; for particulars see under Wisconsin Central Ry.

#### STOCK ISSUED.

In 1907-8, the authorized stock was increased from \$14,000,000 to \$28,000,000 common and from \$7,000,000 to \$14,000,000 pre-

ferred. Stockholders were offered the right to subscribe pro rata at par for \$2,800,000 common stock and \$1,400,000 preferred stock.

In March, 1909, stockholders subscribed pro rata at par for \$2,016,000 new preferred stock and \$4,032,000 common stock.

Stockholders of record April 15, 1911, subscribed pro rata for \$2,187,400 preferred stock and \$4,374,800 common stock at par.

#### GENERAL.

In 1914-15, \$2,637,000 First Consolidated Mortgage 5% bonds, due July 1, 1938, were sold. In addition there are outstanding under this mortgage \$56,863,000 4% bonds. They are guaranteed as to interest by the Canadian Pacific Ry.

This company has carried on a large amount of construction work during the past thirteen years, over 1,700 miles having been constructed. The total mileage operated on June 30, 1915, was 3,044 miles.

During 1914-15, the "Soo Line" purchased the Fairmount & Veblen Ry. (Fairmount, N. D. to Grenville, S. D.). Operation of the line by the "Soo" was commenced July 1, 1915.

A company known as the Central Terminal Ry. (stock all owned by the Soo Line) was incorporated to construct new terminals in the City of Chicago. \$6,000,000 4% 30-year Chicago Terminal First Mortgage bonds of an authorized issue of \$20,000,000 (dated November 1, 1911) were sold in 1911. The bonds are guaranteed by the Soo Line and by the Central Terminal Ry.

On June 30, 1915, Working Assets were \$10,226,187, and Working and Accrued Liabilities were \$6,035,046. The credit balance to Profit and Loss Account amounted to \$14,750,596.

The grain traffic for 1914-15 was 1,386,390 tons (19% of total tonnage), as compared with 1,434,664 tons in 1913-14 and 1,805,140 tons in 1912-13.

### WISCONSIN CENTRAL RY.

*(Minneapolis, St. Paul & Sault Ste. Marie Ry.—Chicago Division.)*

See Table, page 185.

The preferred stock is entitled to non-cumulative dividends of 4% per annum, and after 4% dividends shall have been paid in any year on both classes of stock, both shall participate equally in any further dividends for such year. In December, 1908, an initial dividend was declared on this stock at the rate of 4% per annum, which rate is now being paid.

#### CONTROL BY THE "SOO LINE."

In 1909, through the purchase of preferred stock and about 51% of common stock, control of the Wisconsin Central Ry. was secured by the Minneapolis, St. Paul & Sault Ste. Marie Ry.

(Canadian Pacific Ry.), affording that company a Chicago connection.

The "Soo Line" issued its Leased Line Stock Certificates in exchange for the preferred stock of the Wisconsin Central Ry., which stock is now held in trust. By the terms of such Leased Line Stock Certificates, the "Soo Line" expressly obligates itself to pay to the holders of such certificates 4% per annum, payable semi-annually for 99 years.

The lease became operative April 1, 1909. To June 30, 1915, \$11,169,600 of the Leased Line Certificates had been issued in exchange for an equal amount of Wisconsin Central Ry. preferred stock, leaving about \$97,600 outstanding stock unexchanged.

#### BONDS.

In 1905-6, a new mortgage, the Superior & Duluth Division & Terminal Mortgage, was created securing an issue of \$8,500,000 4% bonds due 1936. Of the new bonds \$7,500,000 have been sold and the proceeds used to provide in part for the cost of a line from Owen to Duluth, 160½ miles, including the terminals, in Superior and Duluth. No additional bonds will be issued under this mortgage.

The company in 1909, authorized a First and Refunding Mortgage securing \$60,000,000 4% bonds, due April 1, 1959. Of these bonds, \$36,459,000 were reserved to refund existing bonds and equipment obligations. \$5,816,000 of these bonds were held by the public June 30, 1915. The bonds under the First and Refunding Mortgage are guaranteed as to interest by the "Soo Line."

Under date of February 1, 1915, \$1,000,000 5% 3-year Notes were sold. They are guaranteed principal and interest by the "Soo Line" and are secured by \$1,500,000 First and Refunding bonds.

A company known as the Central Terminal Ry. (stock owned by the "Soo Line") was incorporated to construct terminals in the City of Chicago. \$6,000,000 4% 30-year Chicago Terminal First Mortgage bonds of an authorized issue of \$10,000,000 (dated November 1, 1911) were sold late in 1911. The bonds are guaranteed by the "Soo Line" and by the Central Terminal Ry.

#### GENERAL.

The gross cash receipts of the Land Department for 1915 were 219,691. The number of acres unsold on June 30, 1915, 410,519 and there was a credit to the Profit and Loss account of the Land Department, amounting to \$1,780,093.

By operation of the Sinking Fund and by other means there had been effected to June 30, 1915, the retirement of approximately \$2,000,000 of First Class bonds.

The balance sheet as of June 30, 1915, showed Working Assets, \$1,632,148 (not including company's own securities owned) and Working and Accrued Liabilities of \$720,844.

### MONTANA, WYOMING & SOUTHERN RY.

See Table, page 186.

No dividends are being paid on the company's stock.

This railway extends from Bridger to Washoe, Mont. (25 miles), with branches (7 miles). An extension to Cook City, Mont., with branches to the Bear Creek and the Sunlight Mining Districts (total 100 miles), is projected.

The \$890,000 First Mortgage 5% bonds of this company mature September 1, 1939. Additional bonds are issuable at \$25,000 per mile, under carefully guarded restrictions.

This railway is controlled in the interest of the Anaconda Copper Mining Co.

### NORTHERN PACIFIC RY.

See Table, page 187.

In the calendar year 1903, the stock of this company received 7%. In 1904 the stock received 6¾%, and 7% per annum has since regularly been paid, to and including the quarterly dividend paid in February, 1916. Dividends are paid quarterly, commencing February.

In 1908, the regular dividend of 7% was paid and in addition on December 3, an extra dividend of \$11.26 per share was paid to stockholders out of accumulated surplus of the Northwestern Improvement Co., which company is owned by the Northern Pacific Ry. As of June 30, 1915, the Northern Pacific Ry. had 20,413 stockholders.

For the six months ending December 31, 1915, Surplus before deducting the dividend for the period (3½%, \$8,680,000) was \$14,762,085 as compared with \$9,936,755 for a similar period during 1914, and \$12,304,280 in 1913.

On June 30, 1915, the Northern Pacific Ry. held among its treasury securities \$7,000,000 bonds and \$6,775,000 stock of the Northwestern Improvement Co., valued on the books at par value; also \$49,600 unpledged stock of the Chicago, Burlington & Quincy R. R., \$100,000 stock of the Colorado & Southern Ry., \$20,000,000 stock, \$2,717,487 Notes and \$31,855,000 4% bonds (book value of bonds \$31,855,000) of the Spokane, Portland & Seattle Ry. (see a following paragraph). As of June 30, 1915, the Northwestern Improvement Co. held among its assets the following; Spokane & Inland Empire R. R. common stock, \$3,465,250 (cost \$1,879,655), preferred stock, \$1,083,350 (cost \$1,059,585), Notes, \$2,233,338; Spokane, Portland & Seattle Ry. bonds 4%, \$5,000,000 (cost \$3,500,000), Notes \$400,000. The par value of holdings of this company as of June 30, 1915, was \$28,347,287 and

\$20,000,000 stock (one-half), and \$31,855,000 of the First Mortgage 50-year 4% bonds (due 1961—\$125,000,000 authorized) of the Spokane, Portland & Seattle Ry. The Great Northern Ry. received an equal amount of stock and owned \$36,855,000 bonds. There were included among the treasury securities held by the Northern Pacific Ry. on June 30, 1915, as previously stated, \$20,000,000 stock of the S. P. & S. Ry. (valued at par) and \$31,855,000 bonds of that company (valued 70% of par value). The Northwestern Improvement Co. likewise held \$5,000,000 S. P. & S. Ry. bonds.

For the year 1914-15, the operating revenue of the Spokane, Portland & Seattle Ry. and the Astoria & Columbia River R. R. was \$4,414,415 (as against \$4,901,740 in 1913-14), and a large deficit was reported.

During 1914-15, expenditures were made and charged to Capital Account of the Northern Pacific Ry. to an aggregate amount of \$8,977,504 (against \$15,328,474 in 1913-14, \$16,556,322 in 1912-13, \$7,092,272 in 1911-12, \$7,998,106 in 1910-11, \$14,307,262 in 1909-10, \$14,894,753 in 1908-9, and \$24,302,672 in 1907-8), and additional large advances were made to sundry companies for construction purposes during this period.

See under Canadian Northern Ry. regarding the Manitoba branches (355 miles) leased to the Government of Manitoba.

### SPOKANE & INLAND EMPIRE R. R.

• See Table, page 188.

The preferred rights (authorized issue \$10,000,000) are entitled to 5% dividends, cumulative from January 15, 1911. It is further provided that, after 5% shall have been paid in any year on the stock of the company, further dividends up to 7% shall be for the equal benefit of both issues, the maximum annual payment on the preferred rights being limited to 7%. The preferred rights are redeemable at 135, at the option of the company, and have no vote.

An initial dividend of 1¼% was paid on the preferred rights on January 21, 1907. In 1907, 5% was paid on the preferred rights, quarterly. No dividends have since been paid.

In November, 1909, and subsequently, a majority of the common stock and a large amount of preferred certificates were acquired by the Northwestern Improvement Co. (a subsidiary of the Northern Pacific Ry.) and the Great Northern Ry. As of June 30, 1915, the Northwestern Improvement Co. owned \$3,465,250 S. & I. E. R. R. common stock (cost \$1,879,655) and \$1,083,350 preferred rights (cost \$1,059,585). The Great Northern Ry. as of June 30, 1914, held \$3,465,250 common stock and \$1,083,350 preferred rights. Likewise, as of June 30, 1915, the Northwestern Improvement Co. held \$2,233,338 Notes of the S. & I. E. R. R., and

a like amount presumably was held by or in the interest of the Great Northern Ry.

#### HISTORY AND DESCRIPTION.

The charter of the Spokane & Inland Empire R. R. is very broad and liberal, and authorizes the company to construct and operate electric railways, street railways, develop electric power plants and generate, distribute and sell electric energy for light, heat and power. The company owns and operates an electrically equipped, high-speed railroad system, comprising 177 miles of single track, 126 miles thereof extending south from Spokane to the cities of Colfax and Moscow; 41 miles extending east from Spokane to Cœur d'Alene City and Hayden Lake, Idaho, including a branch to Liberty Lake; and the Opportunity Line to Flora, Washington, 9 miles. In addition the company owns and operates an electric railroad of 36 miles in the City of Spokane.

The company also owns valuable freight and passenger terminals in the center of Spokane. The freight terminal property is situated between the Northern Pacific Ry. and Great Northern Ry. railroad terminals and has physical connection with all roads entering Spokane. The passenger terminal consists of a large area in the heart of the city, upon which has been erected a handsome building in use as a depot and for the general offices of the company.

#### WATER POWER PLANT.

The company owns a valuable water power plant on the Spokane River, 9 miles below the city, consisting of a concrete dam 60 feet high and a concrete and steel power-house. The riparian rights owned cover all of the water in the river at this point.

The new power plant furnishes power for use in the operations of a large portion of the company's lines, also for commercial and irrigation purposes.

#### STANDARD OF CONSTRUCTION.

The lines of the Spokane & Inland Empire R. R. Co. should be considered from the steam railroad standpoint rather than from that of the electric railroad, as they transport all kinds of heavy and light freight as well as passengers.

#### GENERAL.

On June 30, 1915, there were outstanding \$3,913,000 of an authorized issue of \$15,000,000 First and Refunding Mortgage 20-year 5% bonds, due May 1, 1926. (Interest semi-annually, May and November.) The Trust Deed provided for a sinking fund to be paid to the Trustee to retire bonds of this issue as follows: 1% of the outstanding bonds in each of the years 1911 to 1915; 1½% in each of the years 1916 to 1920; and 2% in each of the



\$20,000,000 stock (one-half), and \$31,855,000 of gage 50-year 4% bonds (due 1961—\$125,000,000 the Spokane, Portland & Seattle Ry. The Gr received an equal amount of stock and owned There were included among the treasury secu Northern Pacific Ry. on June 30, 1915, as prev 000,000 stock of the S. P. & S. Ry. (valued at p bonds of that company (valued 70% of par v; western Improvement Co. likewise held \$5,000,0 bonds.

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years 1921 to 1925. The Trust Deed provides for the issuance of bonds for not to exceed 75% of the cash cost of permanent extensions and additions, provided, however, that the net earnings for the year prior to the time of such issuance, shall have been not less than double the annual interest charge on the bonds outstanding and to be issued. Bonds are reserved to retire about \$838,000 underlying bonds.

The balance sheet of June 30, 1915, showed Non-Negotiable Debt to Affiliated Companies, \$4,977,545, as follows: Notes, \$4,467,860; Open Accounts, \$280,255; Interest Accrued, \$229,430.

In addition to expenditures made from the proceeds derived from the sale of the bonds and bills above mentioned, there has been provided by the holders of preferred certificates of stock, it is said, and expended on the property, upwards of \$6,000,000.

#### OFFICIAL STATEMENTS.

As of June 30, 1915, Current Assets were \$264,053, as compared with Current Liabilities amounting to \$205,676. There was debit balance to Profit and Loss of \$855,060.

#### TACOMA EASTERN R. R.

See Table, page 189.

In 1909 control of this road was acquired by the Chicago, Milwaukee & St. Paul Ry., which company owns all of the preferred stock and practically all of the common stock.

The preferred stock is entitled to non-cumulative dividends at the rate of 6% per annum in priority to the common stock.

In May, 1911, dividends of 11% were declared on each class of stock. This called for the payment of \$165,000, which amount was charged to Profit and Loss Account in 1910-11. No dividends were paid in 1911-12 and subsequent years.

The funded debt of this company consists of \$884,000 (authorized \$1,500,000) First Mortgage 5% bonds due 1923. The balance sheet of June 30, 1915, showed \$3,049,407 Obligations for Advances Received from C. M. & St. P. Ry. for Construction, Equipment and Betterments.

The Balance Sheet as of June 30, 1915, showed Working Assets of \$189,384, against Working and Accrued Liabilities of \$66,601.

Products of Forest contributed 93.3% of the total tonnage carried in 1914-15, against 92.0% in 1913-14, 91.3% in 1912-13, 83.7% in 1911-12, 88.6% in 1910-11.

#### UNION PACIFIC R. R.

See Table, page 190.

The preferred stock is limited to non-cumulative dividends of 4% per annum. In October, 1906, the dividend on the common stock was raised from 6% to 10% per annum, which latter rate was paid to and including the dividend paid in April, 1914. In

July, 1914, the dividend rate was reduced to 8% per annum (see next paragraph). When the dividend was increased the announcement was made that the additional 4% per annum was declared from the company's income from investments. Dividends on the preferred stock are paid semi-annually in April and October, and on the common stock quarterly, beginning January 1.

A dividend was paid to holders of common stock of record March 2, 1914, as follows: \$3 a share in cash, \$12 par value in Baltimore & Ohio R. R. preferred and \$22.50 in common. The income from these stocks and the cash, it was figured, would amount to about \$2 per annum. Following the distribution of this dividend, the rate on Union Pacific R. R. common stock was reduced to 8% per annum. The distribution of B. & O. stocks amounted to \$48,742,965 common and \$25,996,248 preferred. To offset the payment of this dividend Profit and Loss account in 1913-14 was charged \$74,020,372.

## STOCKS OWNED OF OTHER COMPANIES.

June 30, 1915.

	Par Value.
Baltimore & Ohio R. R. preferred (cost 92.50).....	\$1,805,992
Baltimore & Ohio R. R. common (cost 120.00).....	3,594,035
Chicago & Alton R. R. preferred (cost 86.50).....	10,343,100
Chicago & Northwestern Ky. common (cost 167.97) (a)	4,018,750
Chicago, Milwaukee & St. Paul Ry. Pfd. (cost 100.00) .....	1,845,000
Illinois Central R. R. stock (cost 163.30) .....	22,500,000
N. Y. Central R. R. stock (cost 129.95).....(a)	20,000,000
Railroad Securities Co. preferred (cost about 101)..	1,936,900
Railroad Securities Co. common (cost about 140)....	3,484,920
San Pedro, Los Angeles & Salt Lake R. R. stock (one-half) .....	12,500,000
St. Joseph & Grand Island R. R. first preferred .....	2,962,340
St. Joseph & Grand Island R. R. second preferred....	3,009,650
St. Joseph & Grand Island R. R. common .....	4,203,700

(a) pledged; (b) \$8,700,000 pledged; see a later paragraph.

## BONDS OWNED OF OTHER COMPANIES.

June 30, 1915.

Chicago & Alton R. R. Gen'l Mtge. 6% .....	\$8,417,000
Southern Pacific System (various) 4% .....	*27,960,000
Pacific Mail S. S. Co. Notes 6% .....	3,323,125
San Pedro, Los Angeles & Salt Lake R. R. 1st 4%..	†28,412,000
Utah Light & Traction Co. 1st and Ref. 5%.....	11,864,000

\*Includes \$6,399,000 Southern Pacific (Central Pacific Stock) Collateral 4% bonds, \$6,000,000 San Francisco Terminal 4% bonds, \$14,568,000 Southern Pacific R. R. 4% bonds, etc. †Also \$368,240 5% Notes.

## EARNING POWER

Bonds held of railroads not in System, including \$8,707,700. As of June 30, 1915, the Union Pacific System held as investments \$10,633,000 Equipment Notes and \$2,203,278 Notes of various railroad companies. The Union Pacific System.

### SYSTEM BONDS OWNED.

On June 30, 1915, \$10,000,000 Collateral Notes and \$82,491,000 of Union Pacific R. R. 4% and Participating bonds were retired. Participating bonds all except \$35,960,000 were retired by the Union Pacific R. R. For the purpose of retiring the bonds and for other corporate purposes the Oregon Short Line R. R. issued its 4% Refunding 20-year bonds, due December, 1935, in an amount of \$100,000,000. On this issue \$45,000,000 of bonds were due June 30, 1915, in the hands of the public. The remaining amount amounting to \$55,000,000 previously held by the Union Pacific R. R. as a free asset were retired during 1914-15. The \$100,000,000 bonds which are outstanding are secured by \$27,577,000 of Union Pacific R. R. bonds; \$8,700,000 of Union Pacific R. R. stock, \$4,018,700 Chicago & Northwestern R. R. stock, \$1,845,000 "St. Paul" stock and \$20,000,000 stock of the New York Central R. R.

On June 30, 1915, the Union Pacific System owned \$45,074,000 of Union Pacific R. R. and Consolidated 4% bonds and \$72,500 other bonds of the Oregon Short Line R. R., also \$63,245,000 other System bonds (all unpledged).

Not including the \$108,391,500 System bonds owned, as per preceding paragraph, and not including \$38,667,540 stocks and \$41,841,341 bonds and Notes of the directly operated Auxiliary Cos. owned unpledged by the Union Pacific R. R. and Auxiliary Cos., there were owned on June 30, 1915, by the Union Pacific R. R. and Auxiliary Cos. \$180,841,625 bonds and stocks of *other companies*. These latter securities were included in the assets at a valuation of \$193,515,780. Of \$180,841,625 face value of these securities, \$146,277,925 face value were unpledged on June 30, 1915. In the list of the stocks of *other companies* held on June 30, 1915, there were included the stocks listed first above.

The company received in 1914-15, as dividends on its investment stocks and as interest on bonds owned of other companies the sums of \$4,540,094 and \$6,434,508, respectively.

The lines of the San Pedro, Los Angeles & Salt Lake R. R. aggregate over 1,000 miles, the main line extending from Salt Lake City, Utah, to San Pedro (near Los Angeles) on the Pacific Coast. The Oregon Short Line R. R. (Union Pacific System) owns a one-half interest in this company.

The stocks of the Baltimore & Ohio R. R. distributed to stockholders in 1914, were previously largely owned by companies in the Pennsylvania R. R. System. The Pennsylvania Lines owned

prior to the exchange of securities as noted in a later paragraph \$42,547,200 of the capital stock of the Baltimore & Ohio R. R.

On June 30, 1915, the Chicago & Northwestern Ry. owned \$4,171,500 preferred stock of the Union Pacific R. R., carried on the company's books at a valuation of \$3,910,576.

See Toledo, St. Louis & Western R. R. as to controlling interest owned by that company in the stock of the Chicago & Alton R. R.

#### SOUTHERN PACIFIC COMPANY STOCK.

In December, 1912, the Supreme Court of the U. S. reversing the decision of the lower court, held that the ownership of the stock of the Southern Pacific Co. by the Union Pacific was in contravention of the Sherman Anti-Trust statute, and directed the court below to require that such stock be disposed of in such manner as to effectually prevent the control of the Southern Pacific Co. by or in the interest of the Union Pacific. Various plans intended to comply with the decision of the Supreme Court were devised by a special committee and considered by the Board of Directors, several of which were submitted to the Attorney General and the Court without securing approval thereof. A plan was finally formulated upon the basis of requirements and suggestions of the Court and the Attorney General, which was on June 30, 1913, approved by decree of the Court, providing for the exchange of \$38,292,400 par value, of the stock of the Southern Pacific Co. for \$21,273,600, par value, of the preferred stock and \$21,273,600, par value, of the common stock of the Baltimore & Ohio R. R. held by the Pennsylvania R. R., and for the deposit of the remaining stock of the Southern Pacific Co. held by the Union Pacific, aggregating \$88,357,600, par value, with a trustee, the issuance of the trustee's certificates against the stock so deposited, share for share, but under such restrictions that the trustee's certificates could not be converted into the underlying Southern Pacific stock by any owner of Union Pacific stock, and the sale of such certificates to all shareholders, preferred and common, of the Union Pacific R. R.

The decree required the sale of such trustee's certificates not later than November 1, 1913. They were accordingly offered at \$92 per share to stockholders for subscription on or before September 2, 1913.

The preferred and common stocks of the Baltimore & Ohio R. R., purchased with Southern Pacific stock from the Pennsylvania R. R., were taken up on the books of the company at approximately market value as of the date on which the transaction was consummated. To June 30, 1915, the Southern Pacific Stock Account showed a profit upon the books of \$16,130,150.

RESULT OF ORIGINAL INVESTMENT IN STOCK OF NORTHERN  
SECURITIES CO.

The state of the account in respect of the cost of the stock of the Northern Securities Co. and of the stocks of the Great Northern Ry. and of the Northern Pacific Ry. companies received in the distribution of the assets of the Securities Company, also in respect of the transactions growing out of the stocks subsequently acquired under subscription rights and of the proceeds from the sale of these stocks to *June 30, 1910*, was as follows:

Cost of 824,91871 shares Northern Securities Co. stock \$79,459,691  
Paid for:

73,589.69 shares Great Northern Ry. Co. stock and subscription receipts for 2,600 shares .....	\$7,640,797	
Northern Pacific Ry. Co. subscription receipts for 34,516 shares .....	2,290,913	9,931,710
Total cost.....		\$89,391,401
Amount realized from stocks sold:		
100,000.18 shares Northern Securities Co. stock .....	\$16,880,076	
290,709.89 shares Great Northern Ry. Co. stock .....	65,541,737	
281,828.82 shares Northern Pacific Ry. Co. stock .....	54,986,402	
90,364. shares Great Northern Ore certificates .....	6,658,677	
Northern Pacific Ry. Co. subscription receipts for 34,516 shares .....	3,054,509	
Great Northern Ry. Co. subscription receipts for 2,000.60 shares .....	255,941	
		\$147,377,342

Amount realized from sales in excess of the total cost of stocks (besides 7,249 shares Northern Securities Co. stubs on hand then unsold)..... \$57,985,041

Since June 30, 1910, this profit has been increased to \$58,855,-677. Of this amount \$4,955,479 was credited to Profit and Loss in 1904-5, and \$53,728,678 was credited to Profit and Loss in 1910-11. (See a following paragraph.)

Of the stocks stated above as having been sold, there were sold in 1907-8, 1908-9 and 1909-10, 77,164 shares Great Northern Iron Ore Properties, about \$12,678,600 Great Northern Ry. stock, and \$5,954,000 Northern Pacific Ry. (including \$1,914,000 stock, not

fully paid). For the stock sold prior to June 30, 1907, the average price realized per share was \$168.80 for Northern Securities Co., \$304.41 for Great Northern Ry. Co., \$208.76 for Northern Pacific Ry. Co. and \$77.41 for Great Northern Ore Certificates.

There was sold during 1909-10, \$10,000,000 Atchison, Topeka & Santa Fe Ry. preferred stock for \$10,491,703 (\$104.92 per share; this stock originally cost \$103.95 per share). There was sold in 1908-9, \$7,280,000 par value Chicago, Milwaukee & St. Paul Ry. common stock for \$9,982,187, and \$641,565 par value Illinois Central R. R. stock for \$948,806. \$724,000 Northern Securities stubs were disposed of in 1911-12.

A profit of \$58,855,677 was made on the sale of the stock of the Northern Pacific Ry., the Great Northern Ry. and the Northern Securities Co., and the Directors of the Oregon Short Line R. R. in 1911; declared a special dividend, equal to the amount of the profit, which went to the Union Pacific R. R., the owner of all the stock of the Oregon Short Line R. R. This was credited to the Profit and Loss account for the year ended June 30, 1911. There will be a profit of about \$16,000,000 on the sale of the stock of the Southern Pacific Co. which, upon final settlement of the account, will be credited to Profit and Loss, making a total profit on these two transactions of about \$75,000,000. On the other hand, the market value of other investment securities owned showed, on June 30, 1915, a large depreciation. Since the Northern Securities transaction has been closed and the Southern Pacific stock disposed of, and the profit on the one transaction has been and on the other will shortly be credited to Profit and Loss, it seemed proper that the book value of the other investment securities owned should be either written down to approximately their market value, or that there should be created a reserve to cover eventual depreciation, if any. Therefore, it was resolved by the Directors to appropriate out of surplus and set up as a "Reserve for Depreciation of Securities" the sum of \$50,000,000. Accordingly, the said amount was charged to Profit and Loss and credited to "Reserve for Depreciation of Securities" under the head of "Appropriated Surplus." If and when any of the securities referred to are disposed of, whatever loss, if any, may be sustained, will then be charged against this reserve account. This was deemed better than the actual writing down of the securities to existing market value, because, with the fluctuations usual in the market value of such securities, the price realized in case of sales may vary materially from existing market prices. The credit to this reserve as of June 30, 1915, was \$35,418,052. The distribution of the B. & O. stock in 1914, explains the reduction of this reserve from \$50,000,000.

The Union Pacific R. R. (Oregon Short Line R. R.), in 1908-9 subscribed in accordance with privilege to \$37,260,000 Southern



Pacific Co. 20-year Convertible 4% bonds at \$960 per bond; \$32,500,000 of these bonds were subsequently sold (in same year) at an average price of \$984.08, and the balance, excepting \$927,000, was sold in 1909-10.

The proceeds derived from the sale of the above mentioned securities were largely reinvested in other securities listed in the statement given first above of securities of other companies owned on June 30, 1915. The annual reports for 1906-7, 1907-8, 1908-9 and 1909-10 describe in full these transactions.

## ASSETS AND LIABILITIES.

Following is presented a condensed statement of the Assets and Liabilities on June 30, 1915, of the Union Pacific R. R. and Auxiliary Companies, excluding stocks and bonds owned of Auxiliary and Proprietary Companies, and all offsetting accounts between them:

ASSETS.		
Capital Assets .....		\$825,393,973
Current Assets (including \$8,983,247 material and supplies) .....		34,163,367
Deferred Assets and unadjusted Debits .....		2,538,469
Total Assets .....		\$862,095,809
LIABILITIES.		
Capital Liabilities:		
Stocks (\$321,836,600) and Bonds (\$334,022,265) ..		\$655,858,865
Current Liabilities (including October dividends) .....		29,191,194
Deferred Liabilities and Unadjusted Credits .....		43,164,470
Appropriated Surplus .....		*36,919,038
Balance to Credit of Profit and Loss .....		96,962,242
Total Liabilities .....		\$862,095,809

\*Includes \$35,418,052 Reserve for Depreciation of Securities.

## GENERAL.

As of June 30, 1915, the Union Pacific R. R. and the Union Pacific Land Co. owned 1,006,657 acres of land unsold, the value of which was estimated at \$1,815,776. Principal of deferred payments on land contracts amounted June 30, 1915, to \$1,120,784; 10,087 acres were sold during the year 1914-15.

Main and second track contained June 30, 1915:

2,683 miles of 90-pound steel,	30 miles of 67-pound steel;
16 miles of 85-pound steel,	217 miles of 65-pound steel;
1,178 miles of 80-pound steel,	947 miles of 60 to 62½-lb. steel,
1,515 miles of 75-pound steel,	721 miles of other weights.
1,216 miles of 70-pound steel,	

On June 30, 1915, the Union Pacific R. R. and the Southern Pacific Co. each owned one-half of the \$10,800,000 paid-up capital stock of the Pacific Fruit Express Co.

CONVERTIBLE BONDS RETIRED AND EXISTING, ETC.

On June 30, 1904, there were outstanding \$87,257,000 First Lien Convertible 4% bonds, convertible at the option of the holder at any time before May 1, 1906, into common stock at par, and redeemable after that date at 102½% of par value. Original issue of these bonds was \$100,000,000, issued to provide funds to pay for the Southern Pacific Co. stock purchased, and for other purposes. On June 30, 1906, there were outstanding \$581,000, the balance of the issue having been exchanged for common stock. The unexchanged bonds were called for redemption on November 1, 1906.

In 1907, the company sold \$73,762,000 face value of an authorized issue of \$75,000,000 of 20-year 4% Convertible Gold Bonds, and the proceeds were applied to the discharge of current liabilities. These bonds, due July 1, 1927, were offered to stockholders at 90. They are convertible at the option of the holder into common stock at \$175 per share. The bonds may be called for redemption by the company on any semi-annual interest day on 90 days' notice at 102½. In the event of the bonds being called for redemption, the privilege of conversion will terminate thirty days before the redemption date. \$26,835,225 of these bonds were unconverted on June 30, 1915. The amount of common stock outstanding was increased from \$199,302,300 as of June 30, 1909, \$222,291,600 on June 30, 1915, through the conversion into stock of these convertible bonds. \$9,900,975, \$2,100, \$28,875, \$87,675 and \$30,231,950 respectively were converted into stock in 1913-14, 1912-13, 1911-12, 1910-11 and 1909-10.

In 1908, there were sold \$50,000,000 of an authorized issue of \$200,000,000 First Lien and Refunding Gold 4% bonds due 2008. Of these bonds \$100,000,000 are reserved to retire the First Mortgage 4% bonds due 1947 and the balance (\$50,000,000) were reserved to construct or acquire additional lines. To June 30, 1915, there had been issued \$96,335,740 bonds of this issue, \$65,087,740 of which were outstanding in the hands of the public.

CONSOLIDATION OF OREGON AND WASHINGTON PROPERTIES.

In 1910-11 the properties of the Oregon R. R. & Navigation Co., the Snake River Valley R. R., the Idaho Northern R. R. and eleven other companies, all previously owned by the Union Pacific R. R. were consolidated, having been purchased by a new company, the Oregon-Washington R. R. & Navigation Co. The entire \$50,000,000 stock of this company (excepting \$1,500), is owned by the Oregon Short Line R. R., the entire capital stock

(\$100,000,000) of which company is in turn owned by the Union Pacific R. R.

The Oregon-Washington R. R. & Navigation Co., after the acquisition by it of the railroads and properties of the Oregon R. R. & Navigation Co. and various subordinate companies, executed its First and Refunding Mortgage to secure an issue of bonds limited to \$175,000,000. The bonds so authorized mature January 1, 1961, and bear interest at not exceeding 5% per annum (January and July). Of the amount authorized by the mortgage, \$23,380,000 is reserved to refund and retire outstanding bonds of the Oregon R. R. & Navigation Co., \$40,000,000 was authorized to be issued immediately, and the remainder, \$111,620,000, reserved for future issue against the cost of construction and acquisition of additional mileage, double track, etc. Bonds to the amount of \$71,398,800 have been issued, bearing interest at the rate of 4% per annum; of this amount \$39,401,800 bonds were held by the public on June 30, 1915, and \$31,997,000 were held in the Union Pacific R. R.'s treasury.

The Oregon Short Line R. R. under date of December 1, 1910, executed its First and Consolidated Mortgage, to secure an issue of bonds limited to \$150,000,000. Said bonds mature December 1, 1960, and bear interest at not exceeding 5% per annum (June and December). Bonds to the amount of \$45,074,000, bearing interest at the rate of 4% per annum have been issued and \$41,487,000 sold to the Union Pacific R. R. (held as a free asset in its treasury on June 30, 1915).

### SOUTHERN PACIFIC CO.

See Table, page 191.

On October 1, 1906, an initial semi-annual dividend of 2½% was paid on the common stock. On April 1, 1907, 2½% was paid; on July 1, 1907, a quarterly dividend of 1¼% was paid, and thereafter 1½% quarterly, beginning October 1, 1907.

In 1904-5 and in 1907-8, respectively, the Southern Pacific Co. sold to its stockholders at par \$39,569,840 and \$35,296,623 of an authorized issue of \$100,000,000 of 7% preferred stock, redeemable at 115 prior to July 1, 1910, and convertible into common stock at par at option of holder. In 1908-9, the preferred stock was called for redemption, the holders being given the opportunity either to take advantage of the conversion privilege or to receive, per \$100 stock, \$20 in cash and \$100 in 4½% Debenture bonds. Nearly all of the preferred stockholders exchanged their preferred stock for common stock. Only \$227,000 preferred stock was exchanged for the bonds and only \$62,140 was surrendered for cash.

Of the total stocks of Proprietary Cos. outstanding on June 30, 1915, amounting to \$345,200,572, there were owned by the Southern Pacific Co. \$344,767,400, and there were held in the treasury of one of the Proprietary Cos. \$350,000, leaving outstanding in the hands of the public but \$83,172 stock.

#### STOCK OWNERSHIP.

On June 30, 1915, the Oregon Short Line (Union Pacific System) owned bonds of the Southern Pacific Co. as follows: \$14,568,000 Southern Pacific R. R., First Refunding 4s, \$6,399,000 Southern Pacific Co. (Central Pacific Stock Collateral) 4s, \$6,000,000 San Francisco Terminal First Mortgage 4s and \$993,000 other bonds. The bonds mentioned above were largely sold to the Union Pacific R. R. in 1911-12, the latter company giving to the Southern Pacific Co. in payment for a part of the bonds, Notes to the amount of \$23,740,362.

On December 2, 1912, the Supreme Court of the United States handed down a decision which adjudged, that in accordance with the Sherman Law, the Union Pacific System's ownership of Southern Pacific Co. stock (\$126,650,000 owned as of June 30, 1912), was unlawful. See Union Pacific R. R. for detailed information regarding the exchange by that company of \$38,292,800 Southern Pacific Co. stock on July 16, 1913, for \$42,547,200 Baltimore & Ohio R. R. stock (half common and half preferred) formerly held by the Pennsylvania R. R.; also regarding the sale of \$88,357,600 Southern Pacific Co. stock to Union Pacific stockholders at 92.

#### CONVERTIBLE BONDS.

Under date of February 1, 1909, an issue of \$82,000,000 20-Year Convertible 4% bonds due June 1, 1929, was authorized in 1909.

The issue, as a whole, may be called for redemption on any interest day on 90 days' notice at 105 and interest. The bonds are convertible at the option of the holder at any time prior to June 1, 1919, into stock at \$130 per share. If the bonds are called for redemption during the conversion period, they may be converted into stock, up to 30 days prior to the redemption date.

These convertible bonds were offered at 96 and interest to stockholders to the extent of 30% of their stock holdings. \$81,814,000 of these bonds were issued, of which \$81,151,000 were outstanding on February 15, 1916.

The stockholders on April 8, 1914, authorized an issue of \$54,534,000 5% bonds, due June 1, 1934. These bonds are convertible into stock at par at any time on or before June 1, 1924. The issue as a whole is subject to call at 105 and interest on and after June 1, 1919, on 90 days' notice. These bonds were offered at par to stockholders to the extent of 20% of their holdings.

## BONDS.

To provide funds for the retirement of bonds of the constituent companies merged by consolidation into the Southern Pacific R. R. and for the acquisition of additional property, etc., the latter company in January, 1905, authorized an issue of \$160,000,000 First Refunding Mortgage 4% bonds due 1955.

From January 1, 1905, to June 30, 1915, First Refunding Mortgage bonds were issued to the amount of \$143,913,500, including \$14,568,000 sold to the Union Pacific R. R. in 1911-12 and \$6,606,500 owned by the Southern Pacific Co.; \$128,000 of the bonds were purchased by the company and cancelled, leaving \$143,887,500 bonds outstanding at June 30, 1915. About \$82,000,000 bonds of the total amount outstanding June 30, 1915, were issued to refund underlying bonds (over \$77,000,000 bonds, mostly 5% and 6% bonds).

In 1910, there were issued \$15,000,000 of an authorized issue of \$50,000,000 San Francisco Terminal First Mortgage 4% bonds, due April 1, 1950. These bonds are redeemable at 105 as an entirety. The unissued bonds are reserved to acquire and improve terminal real estate in and about the City of San Francisco. No bonds can be issued under this mortgage at an interest rate to exceed 5%. \$24,972,500 of these bonds were outstanding June 30, 1915, including \$6,000,000 bonds sold to the Union Pacific R. R. in 1911-12.

During the past twelve fiscal years the net increase in the funded and fixed interest-bearing debt of the Southern Pacific Co. and Proprietary Cos. has been as follows: 1903-4 to 1907-8, \$23,861,916; 1908-9, \$94,162,237; 1909-10, \$11,462,577; 1910-11, \$43,865,610; 1911-12, \$23,278,373; 1912-13, \$23,909,430; 1913-14, \$37,716,967, and 1914-15, \$3,832,198. On June 30, 1915, \$582,154,317 bonds were in the hands of the public, \$71,217,850 bonds were owned, and \$9,793,000 bonds were in Sinking Funds of Proprietary Cos.

## ASSETS AND LIABILITIES (ALL COMPANIES).

On June 30, 1915, the combined Assets and Liabilities of the Southern Pacific Co. and its Proprietary Cos. (excluding all offsetting open accounts between the companies) summarized showed Capital Assets of \$1,495,931,933 and Capital Liabilities of \$1,287,124,094; Current and Deferred Assets of \$52,750,128, and Current and Deferred Liabilities of \$28,852,130. Current Assets did not include any securities owned, but included \$27,678,727 cash and deposits, and \$18,859,879 material and supplies. Unadjusted Assets were \$12,452,419.

On June 30, 1915, the total credit to the Corporate Surplus accounts of the Southern Pacific Co. and its Proprietary Cos., including \$146,751,727 Credit Balance to Profit and Loss, was \$177,396,200 (of which \$112,951,054—Southern Pacific Co.).

## ASSETS—SOUTHERN PACIFIC CO.

The assets of the Southern Pacific Co. (June 30, 1915), included \$80,701,016 book value of investments in road and equipment; \$424,421,893 face value bonds, stocks and Notes of affiliated companies; and advances to affiliated companies, \$138,447,704. Other Investments, \$11,610,912. The annual reports have stated that interest accruing on the large sums advanced to the Proprietary Cos. or to the companies incorporated in their interest, for the construction of new railways, or for the acquisition of new lines, has not been taken into the income or into the assets of the company.

The Southern Pacific Co. advances to the Proprietary Cos. the funds required by them for extensions, new lines, additions, betterments and equipment, and for terminals, etc. During the progress of the work the sums thus furnished are carried by the Southern Pacific Co. until it is deemed well to dispose of the securities received in payment for such construction equipment, or other property.

## LINES IN REPUBLIC OF MEXICO.

The company has in recent years been building railways in the Republic of Mexico under concessions. These concessions aggregate about 1,507 miles of railway of which 985 miles were completed to June 30, 1915. In addition the Sonora Ry. was sold by the "Santa Fe" Railway to the Southern Pacific R. R. of Mexico, bringing the latter's total operated mileage up to a total of 1,242 miles. The advances to the Southern Pacific R. R. of Mexico to June 30, 1915, have amounted to upwards of \$38,000,000.

The Southern Pacific R. R. of Mexico reported in 1914-15; gross, (estimated), \$698,303; deficit after charges (including \$3,072,938 interest due Southern Pacific Co. not taken up either in the income or assets of latter), \$3,293,075. The Mexican lines have been operated under great difficulty during the past several years, owing to the Revolution in Mexico.

The total surplus earnings for the eighteen fiscal years to July 1, 1915, after payment of fixed and other charges, amounted to over \$311,000,000, and the total amount of the dividends paid from the surplus of these years (including \$8,180,332, the amount of the July and October, 1915, dividends) was approximately \$157,135,587. Thus the net surplus from operations for these eighteen years, after the payment of dividends, amounted to about \$154,000,000.

## STOCKS AND BONDS OWNED.

Jointly with the Atchison, Topeka and Santa Fe Ry., the Southern Pacific Co. owns the Northwestern Pacific R. R. (401 miles). This railroad for the year ending June 30, 1915, reported Gross Earnings \$3,568,701, (\$3,745,805, 1913-14), and a surplus after charges of \$219,609 (\$327,480, 1913-14).

On June 30, 1915, the Southern Pacific Co. owned \$11,080,000 (total issue \$20,000,000) of the stock of the Pacific Mail Steamship Co. For the year ending April 30, 1915, that company reported total earnings, \$5,793,726, and a surplus of \$478,304, after all expenses, including \$410,178 account of purchase of new steamships and \$498,528 for depreciation and general and extraordinary repairs of steamers.

Owing to the recent enactment of the La Follette Seamens' Act the fulfillment of which it was stated would make the operations of the steamship lines unprofitable, it was decided to liquidate the assets of the company. Accordingly a large number of the steamers were disposed of. On December 25, 1915, stockholders received a distribution of \$25 per share from capital assets. The par value of the stock has been reduced from \$100 to \$5. On December 15, 1915, it was announced that the Southern Pacific Co. had disposed of its interest in the Pacific Mail Steamship Co.

On June 30, 1915, the Southern Pacific held in its treasury as free assets, about \$261,679,760 par value of stocks and \$90,289,856 par value of bonds and notes of various companies other than the Proprietary Companies. This total included the \$75,000,000 stock of the Southern Pacific R. R. of Mexico. Among the assets previously held was \$1,530,000 par value stock of the Wells Fargo Express Co., which company in January, 1910, paid a cash dividend of 300%. This entitled the Southern Pacific Co. to \$4,590,000 cash. Stockholders of the Wells Fargo Co. were given the privilege to subscribe at par to new stock to the extent of 200% of their holdings. This stock, together with \$4,172,100 stock of the Mexican International R. R. was sold in 1909-10. The profit on these stocks sold, \$7,148,865, was credited to Profit and Loss account.

#### LAND AND SINKING FUND OPERATIONS.

As of June 30, 1915, the Proprietary Cos. owned 9,552,103 acres of land unsold. The principal of deferred payments on land contracts of the Proprietary Cos. was June 30, 1915, \$1,907,950, and to June 30, 1913, the net cash proceeds from the sale of lands amounted to \$16,429,840, not including \$14,972,113 proceeds from the sale of land by the Southern Pacific R. R. of California, which amounts were used to retire the Southern Pacific R. R. of California 6% bonds which matured in 1912. All but about \$990,000 of the combined sums last mentioned had been applied to the purchase and cancellation of \$30,313,478 face value of bonds.

## LAND OPERATIONS.

Year	Acres Sold	Amount Realized	Bonds Cancelled
1906-7.....	555,567	\$1,705,809	\$2,049,500
1907-8.....	55,279	294,685	965,000
1908-9.....	80,464	446,885	991,000
1909-10.....	377,830	1,889,049	924,500
1910-11.....	84,594	1,053,202	725,000
1911-12.....	176,669	*5,374,764	5,595,500
1912-13.....	122,689	†1,633,282	460,500
1913-14.....	56,192	‡573,512	.....
1914-15.....	109,856	‡539,563	.....

\*Includes \$4,060,000 received for land sold by the Southern Pacific R. R. to the Southern Pacific Land Co. This represented the former's entire holdings on March 5, 1912, (about 4,000,000 acres).

†Estimated. ‡Amount realized from land sales not stated; the sum here given represents net receipts of land department for one year.

The Sinking Fund operations of all companies leave a net balance on June 30, 1915, of \$12,294,213, consisting of cost of bonds purchased for investment and cash uninvested. The total receipts from the operation of the sinking funds to June 30, 1915, were \$40,848,159. Of this sum, \$29,205,500 was used in the purchase of bonds which were cancelled and \$11,888,751 was used in the purchase of bonds of the Southern Pacific Co. and Proprietary Cos., which were held on June 30, 1915, as investments.

## RAIL STATEMENT.

First and additional main tracks June 30, 1915, included:

18 miles of 116 to 164-lb. steel,	65 miles of 65 to 70-lb. steel,
20 miles of 96-pound steel,	1,306 miles of 62 to 60-lb. steel,
2,843 miles of 90-pound steel,	305 miles of 56 to 54-lb. steel,
2,449 miles of 80-pound steel,	1,055 miles of lighter weights.
2,978 miles of 76 and 75-lb. steel,	

During fourteen fiscal years to June 30, 1915, heavy rail was laid in renewals as follows, the entire cost thereof having been charged to operating expenses, with the exception of a comparatively small amount charged in the latter years to additions and betterments, for increased weight of rail:

1900-1 to 1906-7.....	3,475 miles,	1910-11.....	483 miles.
1907-8.....	304 miles,	1911-12.....	257 miles.
1908-9.....	541 miles,	1912-13.....	639 miles.
1909-10.....	758 miles.	1913-14.....	409 miles.
		1914-15.....	302 miles.



## GENERAL.

For years operating expenses have been heavily charged for improvements. The extent to which the operating expenses of the Southern Pacific System have been charged for maintenance is in no way better evidenced than by the comparison of the figures of this and other systems, as shown in the statistical tables in this book.

The development of the country served by the Southern Pacific Co.'s lines and the services given by them to the public are shown in the following statement where the figures for 1885 and 1912-13 are compared:

	Year 1885	Year 1912-13	Inc.
Miles Operated .....	4,705	10,311	119%
Gross Transportation Receipts*..	\$30,351,772	†\$142,774,705	370%
Receipts over Operating Ex- penses* .....	\$15,167,694	\$49,905,295	229%
Passengers Carried One Mile...	318,088,758	†1,834,380,082	477%
Tons Revenue Freight Carried One Mile .....	868,409,660	**7,034,174,870	710%

\*Includes receipts from water lines and Southern Pacific Terminal Co. and from Outside Operations. †Gross Receipts for 1913-14 and 1914-15, under new system of accounting were \$138,520,259 and \$129,865,675 respectively. ‡In 1913-14, 1,748,983,080; and in 1914-15, 1,662,556,191 passenger miles. \*\*In 1913-14, 7,108,331,050 ton miles and in 1914-15, 6,637,345,295 ton miles.

## ELECTRIC LINES.

The Southern Pacific Co. is largely interested in traction lines in Oregon and California, the lines in the latter State extending for the most part from Los Angeles into a large radius of Southern California. The various companies which had been acquired were mostly consolidated September 1, 1910, under the name of Pacific Electric Ry. Co. All of the stock of the Pacific Electric Ry. is owned by the Southern Pacific Co. The traction lines operated as of June 30, 1915, 877 miles of main track, 348 miles of second and additional main track and 169 miles of spurs and sidings.

The Gross Receipts (including Other Income) of the Electric Lines for 1914-15 were \$10,292,682, and the Deficit after Operating Expenses, Fixed Charges (including \$2,977,085 interest on funded debt and 865,640 interest on account with Southern Pacific Co.) amounted to \$1,444,117.

## NEVADA-CALIFORNIA-OREGON RY.

See Table, page 192.

The gauge of this road is 3 feet.

The preferred stock has priority over the common for 5% non-

cumulative annual dividends. After the common stock has received 5% both issues share ratably.

In 1906, a 3% dividend was paid on the preferred stock; in 1907, 4% was paid; in 1908, 1909 and 1910 5% each was paid on the preferred stock; in 1911, 3% was paid on the preferred stock. In 1909, an initial dividend of 1% was paid on the common stock; in 1910 1% was paid; no dividend was paid on the common stock in 1911. No dividends were paid in 1911-12 on either preferred or common stock, whereas 2% was paid on the preferred stock in 1912-13. No dividends were paid during 1913-14 and 1914-15.

As of June 30, 1915, main track contained 231 miles of 40-pound rail, 9 miles of 35-pound rail and 32 miles of 30-pound rail.

The balance sheet of June 30, 1915, showed Current Assets of \$79,341 (not including \$137,000 company's bonds owned), and Current Liabilities of \$77,104. Profit and Loss showed a credit of \$91,896 and total Corporate Surplus showed credits aggregating \$610,207.

**TONOPAH & GOLDFIELD R. R.**

See Table, page 193.

The preferred stock of this company is entitled to non-cumulative dividends of 7% per annum. After the common stock has received a dividend of 7% in any year both issues share alike in any further division of profits for such year.

Dividends on the two classes of stock have been paid as follows:

	1906	1907	1908-11	1912	1913	1914	1915
Preferred Stock ..	27%	10%	None	7	7	7	7
Common Stock ..	27%	10%	None	3	7½	7	7

As of June 30, 1915, Working Assets (including \$385,000 Demand Loans and Deposits) amounted to \$527,149. Current Liabilities were \$68,935. Through the operation of a Sinking Fund, the funded debt has been reduced \$696,000 since June 30, 1907.

**COPPER RANGE R. R.**

See Table, page 194.

This railroad extends from Calumet, Mich., to Mass City, Mich., with branches extending to various mining districts. The principal commodity is copper ore, although a comparatively large amount of freight and passengers is handled.

Of the \$4,244,300 stock outstanding, December 31, 1914, \$1,639,200 was in the treasury of the Copper Range Consolidated Co. (which controls the Copper Range Co., the Atlantic Mining Co., the Baltic Mining Co., the Champion Mining Co., etc.). Likewise, of the \$2,280,000 First Mortgage 5% bonds (due 1949), outstanding, \$870,000 were held by the Copper Range Consolidated Co. The Copper Range Co., a subsidiary of the Copper Range Consolidated Co. owns the balance (\$2,605,100), of the stock of the Railroad.

In 1909 a dividend of 10% was paid.

**DULUTH, SOUTH SHORE & ATLANTIC RY.**

See Table, page 195.

The preferred stock is entitled to non-cumulative dividends of 6% per annum. No dividends have been paid.

As of June 30, 1915, the Canadian Pacific Ry. owned \$6,100,000 common and \$5,100,000 preferred stock of this road, \$15,107,000 (the entire issue) of Consolidated Mortgage 4% bonds and \$3,000,000 (the entire issue) of Income Certificates. The \$3,000,000 Income Certificates matured December 31, 1912. They were not paid off and on June 30, 1915, were carried among Current Liabilities.

As of June 30, 1915, the balance sheet of the Duluth, South Shore & Atlantic Ry. showed Matured Interest Unpaid (due to the Canadian Pacific Ry.) \$8,637,915. Current Assets on that date amounted to \$983,975, and Current Liabilities (including Matured Interest Unpaid and \$3,000,000 Income Certificates Unpaid) amounted to \$12,581,400. There was a debit balance to Profit and Loss of \$6,052,325. An additional \$950,000 was due the Canadian Pacific Ry. and was carried in the D. S. S. & A. Ry. balance sheet as Non-Negotiable Debt to Affiliated Companies.

The freight handled by this company consists mainly of Ores and Forest Products.

The Duluth, South Shore & Atlantic Ry. controls the Mineral Range R. R., by ownership of a majority of its capital stock.

**CANADIAN NORTHERN RY.**

See Table, page 196.

No dividends are being paid on the stock of this company. The capital stock was increased in 1908-9, from \$30,750,000 to \$55,000,000; in 1910-11 to \$70,000,000, in 1912-13 to \$77,000,000 (\$7,000,000 issued to Government of Canada in part consideration of \$15,640,000 cash subsidy granted), and in 1914 to \$100,000,000 of which the Government, in consequence of certain guarantees, etc., hold \$40,000,000 (see a following paragraph).

The mileage operated as shown in the table includes 351 miles of the Northern Pacific & Manitoba Ry., leased by the Northern Pacific Ry. to the Provincial Government and sublet by the latter for 999 years from May 30, 1901, at a rental of \$225,000 annually until 1921, then \$275,000 annually for ten years, and thereafter \$300,000 annually, with option to purchase at any time for \$7,000,000. The Manitoba Government has option to purchase the entire property in 1929.

**SUBSIDIARY COMPANIES.**

Construction work has been carried on on a large scale for several years and was being actively pursued in 1914-15. The mileage operated by the Canadian Northern Ry. on June 30, 1915, was 4,965 miles, and additional mileage was under construction. In

addition the Canadian Northern Ry., through its subsidiary companies, viz.: Canadian Northern Ontario Ry. and Canadian Northern Quebec Ry., secures access to Quebec, Montreal, Ottawa and Toronto. Late in 1915 direct train service was established between Toronto and Vancouver. The Canadian Northern Ry. purposes building or has under construction a number of branches and extensions, including a line to York Factory on Hudson Bay (418 miles) has been partly completed.

The total mileage of the system in January 1916, and the amount of stock of subsidiary companies held in 1914, was as follows:

	Miles Operated (1916)	Stock Outstanding (1914)	Owned by Canadian Northern Ry.
Canadian Northern .....	4,773	*\$100,000,000	.....
Can. Northern Pac. ....	500	25,000,000	\$25,000,000
Can. Nor. Alberta .....	252	3,000,000	3,000,000
Can. Nor. West .....	268	2,000,000	2,000,000
Can. Northern Sask. ....	50	1,000,000	1,000,000
Can. Northern Ont. ....	1,545	10,000,000	10,000,000
Irondale, B. & O. ....	55	53,000	53,000
Central Ont. Ry. ....	165	3,331,000	3,329,000
Bay of Quinte Ry. ....	55	1,395,000	1,395,000
Brockp't, W'p. & No. W Ry. ...	45	.....	.....
Can. Northern Que. Ry. ....	354	9,550,000	†7,144,600
Quebec & Lake St. John Ry. ....	309	4,524,000	4,002,800
Halifax & So. W. Ry. ....	370	1,000,000	1,000,000
Duluth, Winnipeg & Pac. Ry. ...	172	6,000,000	3,060,000

8,913

\*June 30, 1915. †Owned or controlled.

The subsidiary companies, as above, either operate or have under construction sections of this transcontinental system. The most important of these lines are discussed elsewhere in these Notes.

The Canadian Northern Ry. controls the Canadian Northern Quebec Ry., through ownership of over two-thirds of its capital stock, and guarantees the \$3,505,000 Great Northern Ry. of Canada (now consolidated) 4% Consolidated Mortgage bonds due 1935; also guarantees the £1,038,855 4% Perpetual Debenture stock of the Canadian Northern Quebec Ry., which stock was authorized in 1906. This line extends from Montreal to Quebec, with various branches (354 miles).

The Canadian Northern Ontario Ry. (1,545 miles, 1915) (total system to consist of 1,579 miles) sold in June, 1909, £800,000 Perpetual Consolidated 4% Debenture stock. The proceeds of this issue were to be used to construct a line to Buffalo, N. Y.

## BONDS AND STOCK SOLD.

As of June 30, 1914, there was outstanding 3%, 3½% and 4% bonds and stock guaranteed by the Government to the amount of \$54,915,118. This included £1,923,287 3% stock and £1,622,586 3½% stock guaranteed by the Dominion Government; £4,940,309 4% bonds (including £616,438 issued to acquire terminals at Winnipeg) guaranteed by the Government of Manitoba; £1,650,000 4% stock guaranteed by the Government of Saskatchewan and £1,147,945 4% stock guaranteed by the Government of Alberta. There were also outstanding Car Trust Obligations (largely bearing interest at 4½%) to the amount of \$22,023,500 and 4% Perpetual Consolidated Debenture stock to the amount of \$46,464,716. See following paragraphs regarding Land Grant bonds.

There was outstanding June 30, 1915, \$25,000,000 5% Income-Charge Convertible Debenture stock, including \$10,000,000 issued in 1912-13. This Debenture stock matures May 6, 1930, is convertible into common stock at par on January 1, 1916, or on any subsequent January 1 or July 1, until January 1, 1919. The full interest (5%) was paid in 1910-11, 1911-12, 1912-13 and 1913-14. No interest was paid in 1914-15.

As of June 30, 1914, \$15,423,333 Secured Notes and \$14,968,487 Temporary Loans were outstanding. The collateral for these Temporary Loans consisted of securities guaranteed by the Government, the value of which largely exceeds the amount borrowed.

## OTHER LINES ACQUIRED.

The Qu'Appelle, Long Lake & Saskatchewan R. R. & Steamboat Co., Regina to Prince Albert, 240 miles (acquired 1906), has been operated as a leased line, the £1,037,972 outstanding 4% Debenture stock being guaranteed by the Canadian Northern Ry.

In 1906, the Canadian Northern Ry. acquired 51% of the capital stock of the Quebec & Lake St. John Ry., Quebec to Roberval, on Lake St. John, with branches (293 miles). \$4,002,800 of this \$4,524,000 stock was owned in 1914.

In 1908-9, the Duluth, Rainy Lake & Winnipeg Ry., extending from Virginia, Minn., north to International Falls (98 miles), was acquired. The line has been extended to Duluth (78 miles). A company called the Duluth, Winnipeg & Pacific R. R. (owning all the stock of the D., R. L. & W. Ry.) was incorporated in 1909, to construct this extension. This company has an authorized capital of \$6,000,000, of which \$3,060,000 is owned by the Canadian Northern Ry., and there is authorized \$10,500,000 First Mortgage 4% Debenture stock guaranteed by the Canadian Northern Ry. \$7,170,318 of the First Mortgage Debenture stock was outstanding on

June 30, 1915. The D. W. & P. R. R. earned in 1914-15, gross, \$1,285,548; net, \$314,347.

## LANDS OWNED.

The Canadian Northern Ry. held on June 30, 1914, 857,356 acres of land unsold, against 1,151,017 acres unsold in 1909-10, which latter acreage the annual report for 1909-10 stated, had a value, on the basis of then existing prices, of not less than \$14,000,000. The total sales during 1913-14 were 3,692 acres and the amount realized therefrom was \$56,221 (\$15.36 per acre); in 1912-13, 19,755 acres were sold for \$291,193; in 1911-12, 55,111 acres were sold for \$836,084; in 1910-11, 279,151 acres were sold for \$3,345,499 (\$12.00 per acre). The balance sheet of June 30, 1914, showed that the deferred payments on land sales amounted to \$7,161,785, and there was \$2,730,963 cash held in trust to retire Land Grant bonds amounting to \$12,387,413, of which latter \$7,300,000 were sold in 1913-14. The surplus in the Land Grant account, on June 30, 1914, was \$16,828,270; the net surplus of the railway on that date was \$6,962,894.

## CONSTRUCTION IN PROGRESS—FINANCIAL SUPPORT BY GOVERNMENT, ETC.

The Canadian Northern Ry. has completed a line from Edmonton, its western terminus, to a point in British Columbia; where connections have been made with the Canadian Northern Pacific Ry., also an allied company. The Canadian Northern Pacific Ry. Co. has completed a line from the connecting point at Yellowhead Pass to Vancouver, B. C., and is building lines to points on the Pacific Coast. The British Columbian Government agreed in 1909 to guarantee interest at 4% on bonds to be issued at \$35,000 per mile to construct a line across the Rockies to Vancouver and Pacific tidewater, about 500 miles, with branches, 295 miles. £5,142,329 bonds (4% and 4½%) have been issued bearing the guarantee of the Province. The Canadian Northern Ry. will indemnify the Government against any loss it may incur by its guaranty.

The Mount Royal Tunnel and Terminal Co. has been formed in the interest of the Canadian Northern Ry., to construct terminals, etc., in the City of Montreal, the cost of which, it is estimated, will be \$25,000,000.

The Canadian Government guarantees £647,260 3½% bonds of the Canadian Northern Alberta Ry., incorporated as a subsidiary line to the Canadian Northern Ry., to construct lines in the Province of Alberta. The Canadian Northern Western Ry. is building lines from Edmonton west to the coal areas near Brazeau River, etc. (343 miles). 4% and 4½% bonds guaranteed by the Canadian Northern

Ry. have been issued to the amount of \$4,000,000 and £1,320,000 respectively.

A number of branch lines will be constructed by the Canadian Northern Ry. Branch Lines Co., incorporated on November 18, 1910.

During 1912-13, the Canadian Government granted to the Canadian Northern Ontario Ry. and the Canadian Northern Alberta Ry. a cash subsidy of \$15,640,000 to be expended on construction, improvements and equipment. The \$7,000,000 stock issued by the company during 1912-13, represents the amounts issued to the Government pursuant to the provisions of the statute under which the cash subsidy referred to was authorized. The amount of subsidies received by the Canadian Northern Ry. and by Subsidiary Companies to June 30, 1913, has, it is said, aggregated \$135,760,461.

In 1914, the Canadian Northern Ry.'s officials stated that the Company needed about \$100,379,000 to complete and equip the system and that it had available about \$58,474,000 of the needed amount. The remaining \$41,905,000 is to be raised by the proceeds of an issue of \$45,000,000 4% bonds or Debenture Stock, due 1934 (subject to call), guaranteed by the Canadian Government and secured by a mortgage on securities owned and on the railway itself subject to certain existing liens. The interests in control of the Canadian Northern Ry. turned over to the Government \$40,000,000 of the \$100,000,000 stock and surrendered to the Canadian Northern Ry. the bulk of their stock holdings in the various allied railways, express, telegraph and other properties.

#### A LARGE TRANSCONTINENTAL SYSTEM.

With the completion of the various extensions and branches under construction and projected, the lines of the Canadian Northern Ry. will form one of the three Transcontinental Systems of the Dominion of Canada. In addition to the lines now operated into Toronto, Montreal and Quebec, the Canadian Northern Ry. now operates or will operate lines into St. John and Fredericton, New Brunswick, Niagara Falls, N. Y., Ottawa, Duluth, Minn., Winnipeg, York Factory on Hudson Bay, Regina, Prince Albert, Edmonton, Calgary, and Vancouver, B. C., on the Pacific Coast. The Company's lines will reach practically all of the larger Canadian cities and traverse all of the central and southern Canadian States and Territories, and will extend from the Atlantic Coast to the Pacific coast.

The Halifax & Southwestern Ry., which as stated is controlled by the Canadian Northern Ry., extends from Halifax, N. S., southwestward via Bridgewater, Liverpool and Shelburne to Yarmouth, N. S. (24 miles), with 131 miles of branches. The company has \$4,447,000 3% and 3½% bonds outstanding.

## GENERAL.

There has been organized in the interest of this company, the Canadian Northern Steamships, Ltd., to build and operate steamships on the Atlantic Ocean, and ultimately on the Pacific Ocean. A line of this company's steamers is now in operation between Montreal and Quebec, and Bristol, England. The \$2,000,000 stock and \$2,920,000 5% Debenture stock is owned by the Canadian Northern Ry.

As mentioned in a previous paragraph the company is constructing a line to the Brazeau River coal fields in the Province of Alberta. A company, subsidiary to the Canadian Northern Ry., to be known as the Brazeau Collieries Co., has been incorporated to develop these coal properties, which are said to be very extensive and valuable.

## CANADIAN PACIFIC RY.

See Table, page 197.

The preference stock is limited to non-cumulative dividends of 4% per annum. Dividends at the rate of 10% per annum (February, 1916), are being paid quarterly on the ordinary stock beginning January, of which, however, 3% represents an extra dividend payable from "special income," that is, dividends and interest received including interest on land sales; during 1910, the regular rate was 7% with 1% extra; prior to October, 1910, the regular rate was 6% with 1% additional.

Common stockholders were offered the right to subscribe on or before February 2, 1914, to \$52,000,000 6% Note Certificates, due 1924, callable at par and interest in any amount on 60 days' notice. Holders of each \$100 common stock had the right to purchase \$20 of these Note Certificates at 80% of par value.

The railway has established a trust fund to be known as the Canadian Pacific Ry. Co.'s Special Investment Fund "to consist of the amounts due on deferred payment of land heretofore sold and securities in which the proceeds of land sales have been invested, amounting to about \$55,000,000." The funds accruing from lands heretofore sold and the interest thereon and from securities in which the proceeds of land sales have been invested, are to be set aside and utilized in so far as may be necessary, or shall be supplemented by the company if necessary, to effect the payment of principal and interest on these Note Certificates.

## CONTROL OF OTHER RAILWAYS.

See under Wisconsin Central Ry. for particulars regarding the purchase of control of that company by the Minneapolis, St. Paul & Sault Ste. Marie Ry.

The Canadian Pacific Ry. owned on June 30, 1915, a majority (\$6,361,800 preferred and \$12,723,500 common) of the stock of



the Minneapolis, St. Paul & Sault Ste. Marie Ry.; also owned \$3,993,000 bonds of that company. The Canadian Pacific Ry. guarantees interest on practically all of that company's bonds.

As of June 30, 1915, the Canadian Pacific Ry. owned a majority of the bonds and stocks of the Duluth, South Shore & Atlantic Ry. See that road.

## CAPITAL STOCK SOLD.

During the twelve fiscal years to June 30, 1915, the Canadian Pacific Ry. sold stock and Debentures as follows and received therefrom approximately the amounts below:

	Par Value	Realized
Ordinary stock .....	*\$175,500,000	\$242,595,455
Preference stock .....	£9,900,395	47,154,909
Consol Debenture stock..	£22,403,965	110,732,633
Total.....		\$400,482,997

\*Includes \$18,000,000 stock sold to stockholders in 1911-12 at \$150 per share. Includes also \$60,000,000 stock sold in 1912-13 at \$175 per share and \$2,000,000 stock sold in 1912-13 for \$4,860,822. See a following paragraph.

The proceeds of the sales of stock were used for equipment, improvements, construction, and to cover the cost of steamships, and for acquisition of its own bonds and bonds of other companies, guaranteed by the Canadian Pacific Ry., and for other purposes.

On June 30, 1902, there was outstanding \$65,000,000 ordinary stock. Since that date the company has sold ordinary stock as follows (all to stockholders, with the exception of \$3,984,000 stock sold in February, 1909, and \$2,000,000 stock sold in 1912-13):

When Sold	Amount	Price
1902-3 .....	\$19,500,000	Par
October, 1904 .....	16,900,000	Par
March, 1906 .....	20,280,000	Par
1908 .....	24,336,000	Par
February, 1909 .....	3,984,000	Market
October, 1909 .....	30,000,000	\$125
February, 1912 .....	18,000,000	150
February, 1913 .....	60,000,000	175
1912-13 .....	2,000,000	Market
	\$195,000,000	

## LANDS OWNED.

As of June 30, 1913, the Canadian Pacific Ry. owned, directly and indirectly, 7,985,244 acres of land unsold. The lands owned by the company are not valued in the balance sheet.

Total sales of land (all grants) for the past fourteen fiscal years have been:

	Sales	Realized
Year 1901-2.....	1,589,068 acres.	\$5,227,762
Year 1902-3.....	2,639,617 "	9,695,673
Year 1903-4.....	928,854 "	3,807,248
Year 1904-5.....	509,386 "	2,446,300
Year 1905-6.....	1,115,743 "	6,513,452
Year 1906-7.....	994,840 "	5,887,377
Year 1907-8.....	164,450 "	1,569,165
Year 1908-9.....	376,046 "	5,085,517
Year 1909-10.....	975,030 "	14,468,564
Year 1910-11.....	650,874 "	9,558,427
Year 1911-12.....	669,639 "	10,710,143
Year 1912-13.....	474,798 "	7,487,268
Year 1913-14.....	259,371 "	4,618,420
Year 1914-15.....	231,297 "	*3,742,115

\*\$16.17 per acre.

To June 30, 1913, a total amount of \$111,470,233 net had been received by the company from sales of land. Of this amount \$11,942,427 had been expended on irrigation, and \$36,193,521 had been expended in construction of railway and equipment and deducted from cost of property.

The deferred payments on land and town site sales were, on June 30, 1915, \$48,760,459. These deferred payments draw interest at 6%.

#### GENERAL.

In 1909-10, the double-tracking of the line from Fort William, Ont., to Winnipeg, 419 miles, was completed. The work of double-tracking large portions of the line west of Winnipeg is proceeding. In 1910-11, practically all of the stock of the Dominion Atlantic Ry. was purchased at a cost of \$1,066,512. A large amount of this company's debenture stock is also owned. This company operates a line of railroad in the Province of Nova Scotia, extending from Yarmouth to Truro, and Windsor Jc., with branches and with trackage privileges to Halifax (total 292 miles).

On June 30, 1915, the Canadian Pacific Ry. operated 383 miles of road (not including M. St. P. & S. S. M. and D. S. S. & A.) whose operations were not included in Canadian Pacific Ry. returns.

The Canadian Pacific Ry. either owns, leases, operates, has under construction or controls, directly or indirectly, 18,090 miles of railway (June 30, 1915).

A comparison of Equipment in service June 30, 1915, and amount in service December 31, 1899, shows:

	1915	1899	Increase
Locomotives .....	2,255	690	1,565
Passenger Equipment, etc.....	2,781	773	2,004
Freight Equipment, etc. ....	87,504	19,367	68,137
Other Equipment .....	7,891	682	7,209
Ocean, Lake and River Steamers	74	32	42

#### FINANCIAL CONDITION.

As of June 30, 1915, Working Assets (including \$15,729,605 material and supplies and \$17,055,270 cash), amounted to \$44,933,661 as compared with \$13,382,924 Current and Accrued Liabilities. Active and Inactive Assets (including certain lands, buildings, coal areas, natural gas and petroleum rights, etc.), were carried at \$131,241,869. Among the Liabilities were included \$10,852,466 Reserves and \$65,979,356 net proceeds lands and town sites.

The balance sheet items, Cost of Railway and Equipment, stood at \$503,584,725 on June 30, 1915. Cost of Ocean, Lake and River Steamships stood at \$24,208,595.

On June 30, 1915, the Canadian Pacific Ry. held \$166,389,376 par value of bonds and stocks of leased lines and other companies at a cost of \$111,652,627.

During 1912-13, the Canadian Pacific Ry. acquired \$20,608,873 of its First Mortgage 5% bonds due 1915. These, together with \$1,232,240 bonds previously acquired, were redeemed and cancelled, leaving \$13,157,520 bonds outstanding, which were paid off at or before maturity. The original issue of bonds under this mortgage was \$34,998,633.

#### INTEREST IN STEAMSHIPS.

The steamships and steamship property of the Canadian Pacific Ry. valued, June 30, 1915, at \$23,500,000 is to be taken over and operated by the Canadian Pacific Ocean Services, Ltd. The Canadian Pacific Ry. will receive from the Steamship Co. £1,962,910 stock and £2,865,860 5% First Debentures.

#### GRAND TRUNK RY. OF CANADA.

See Table, page 198.

The first preference stock is entitled to 5% per annum after payment of dividend on the 4% guaranteed stock. The second preference stock and the third preference stock are entitled to 5% per annum and 4% per annum respectively in order of priority as mentioned.

Dividends have been paid during the past thirteen years as follows:

Stock	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16
Guaranteed .....	4	4	4	4	4	4	4	4	4	4	4	4	4
First pfd. ....%	5	5	5	5	5	5	5	5	5	5	5	0	0
Second pfd. ....%	5	5	5	5	2½	5	5	5	5	5	5	0	0
Third pfd. ....%	0	2	3	3	0	0	½	1½	1½	2½	2½	0	0

## CONTROL OF OTHER RAILWAYS.

This company owned on June 30, 1915, \$2,191,100 stock and \$1,583,300 First Mortgage 4% bonds of the Central Vermont Ry. Co. See latter company as to traffic contract with reference to the guaranty of its bonds.

The Grand Trunk Ry. owns the entire or majority capital stock of the following lines operated separately:

	Miles Operated
Grand Trunk Western Ry. ....	347
Detroit, Grand Haven & Milwaukee Ry. ....	191
Toledo, Saginaw & Muskegon Ry. ....	96
Central Vermont Ry. ....	531
Pontiac, Oxford & Northern Ry. ....	101

See Toledo, St. Louis & Western R. R. as to joint ownership and joint guaranty by the Grand Trunk Western Ry. of bonds of the Detroit & Toledo Shore Line (79 miles operated).

Upon completion of the contemplated lines to be constructed by the Grand Trunk Pacific Ry. and the Grand Trunk Pacific Branch Lines Co., the Grand Trunk Ry. of Canada will own or control a total of about 14,000 miles of railway with eastern terminals at Halifax, St. John's, N. B., Portland, Me., New London, Conn., and possibly at Providence, R. I. The system furthermore operates or will operate into Buffalo, Detroit, Toledo, Chicago, Quebec, Montreal, Toronto, Ottawa, etc., in the east and middle west. In the west the system will operate into Winnipeg, to Hudson's Bay, to Vancouver, Victoria and Prince Rupert on the Pacific Coast, and to Dawson, Yukon.

The deficit of the Grand Trunk Western Ry., the Toledo, Saginaw & Muskegon Ry., and of the Detroit, Grand Haven & Milwaukee Ry. for the year 1914 is included in the Fixed Charges as given in the income account on the statistical page in this book.

\$16,000,000 4% Consolidated First Mortgage bonds dated 1905, of the Canada Atlantic Ry. are guaranteed as to principal and interest by the Grand Trunk Ry. The Grand Trunk Ry. acquired and took over the Canada Atlantic Ry. on September 30, 1905. In 1914 the two lines were merged.

In April, 1910, the Southern New England R. R. was chartered with \$3,000,000 stock and \$6,000,000 bonds authorized, to build a line from Palmer, Mass. (on Central Vermont Ry.), to Providence, Rhode Island, where, it was announced, extensive docks and terminals would be constructed. Work on this extension has been abandoned.

Under date of November 1, 1915, the Grand Trunk Ry. of Canada sold \$4,000,000 2-year 5% Notes, secured by \$5,254,632 (131%) and convertible into \$4,800,000 (120%) Grand Trunk Pacific Ry. 4% bonds due 1962, guaranteed principal and interest by the Canadian Government.

#### GRAND TRUNK PACIFIC RY.

This new transcontinental railway across Canada has received the approval of the Canadian Government, and is being carried through the joint financial support of the Government and the Grand Trunk Ry. Co. of Canada. It will consist of a main line of estimated length of about 3,549 miles from Moncton, N. B., to Prince Rupert, B. C. a point on the Pacific Coast, together with the Lake Superior Branch (188 miles), and about 1,000 miles of additional branch lines.

The Eastern Division built by the Canadian Government, about 1,804 miles, Moncton, N. B., via Quebec to Winnipeg, is leased for 50 years to the Grand Trunk Pacific Ry. Co.—for first seven years at cost of operating only, and for remaining 43 years at 3% on cost of construction, but under more favorable conditions in the event that this line does not at once pay. The Eastern Extension is known as the National Transcontinental Ry. Moncton and Winnipeg are now in direct rail connection. The line, however, has not been fully ballasted, etc.

The balance of the road is being built by the company, viz.: the Western Division (consisting of the Prairie Section and the Mountain Section) and Lake Superior Branch, etc.

#### BONDS.

On condition that the Grand Trunk Ry. of Canada guarantee Second Mortgage bonds to provide the balance for the construction of the Western Division of the line, the Canadian Government undertakes to guarantee First Mortgage bonds bearing interest at 3% for an amount up to 75% of the cost of construction of that division, such amount (a) in the case of the Prairie Section not to exceed \$13,000 per mile, or £3,210,000 in all, and (b) three-quarters of whatever the cost per mile may be from the mountains to the Pacific Coast, called Mountain Section. Total issue limited to £14,000,000 (£11,500,000 outstanding February 1, 1916).

Series "A" (Prairie Section, 916 miles) bonds, total issue limited to £2,100,000 (all outstanding), and Series "B" (Mountain Section, 839 miles) bonds, not to exceed £2,050,000 (all outstanding), are secured by a second mortgage on the railway, equipment

and tolls of the company, including its leasehold interest in the Eastern Division, but not branch lines exceeding six miles in length, ships, grants of land other than for railway purposes, and the rolling stock of the Eastern Division, or of the above mentioned branch lines of over six miles. These bonds are unconditionally guaranteed as to principal and interest by endorsement on each by the Grand Trunk Ry. of Canada.

Lake Superior Branch 4% bonds, total issue limited to £1,550,000 (all outstanding) are secured by a first mortgage on all the 188 miles of the Lake Superior Division and are guaranteed, principal and interest, by Grand Trunk Ry. of Canada.

The Grand Trunk Pacific Branch Lines Co. has been incorporated for the purpose of constructing certain proposed branch lines of the Grand Trunk Pacific System. This company has outstanding £2,771,400 4% bonds due, £2,532,800 in 1939 and £238,600 in 1942. The bonds bear the guarantee either of the Government of Alberta or of the Government of Saskatchewan. A large mileage of branches are completed, under construction or projected in Alberta and in Saskatchewan. Bonds are issuable at not over \$15,000 per mile. In 1914 two issues of 4½% bonds were authorized, guaranteed principal and interest by the Province of Saskatchewan. One issue is to provide funds for terminals and the other to build new lines at \$15,000 per mile.

#### GENERAL FINANCES.

In May, 1909, and May, 1913, the Dominion of Canada agreed to loan to the Grand Trunk Pacific Ry. not exceeding the sum of \$10,000,000 and \$15,000,000 to aid in the cost of construction. The company pays the Government 4% annually and agrees to repay the loans in 1919 and 1923. These loans are secured by the company's debentures, guaranteed by the Grand Trunk Ry. under a mortgage on the Prairie Section and on the entire Western Division, subject to existing prior liens.

#### PROGRESS IN CONSTRUCTION.

Late in 1914, the main line of the Grand Trunk Pacific Ry. had been completed from Winnipeg to Prince Rupert, British Columbia.

The maximum gradient is 4-10 of one per cent. per mile, with easy curvature, bringing the line, it is claimed, to a higher standard than any transcontinental railway so far constructed. It will be a shorter route by several hundred miles than any now existing between Europe and the Orient.

Branch lines have been completed from Melville, Sask., to Canora, Sask. (56 miles), later to be constructed to Ft. Churchill on the Hudson Bay; also from Melville, Sask., to Regina, Sask. (98 miles), thence to Northgate on the International Boundary line. An extension from Regina, Sask., via Moose Jaw, Sask., to Dewar Lake is largely completed. There are also under construction, or have

been completed, extensions from Tofield, Alta., to Calgary, Alta. (in operation), with a projected extension later on to Coutts, on the boundary between the United States and Canada, and another to the Crows Nest Pass coal fields in British Columbia and to Dawson, Yukon; from a point near the McLeod River on the main line west of Edmonton, Alta., northwestward to the boundary with British Columbia; also from Young to Prince Albert; Oban to Battleford, Carruthers and the Bickerdike Coal Fields, etc.; Harte to Brandon; making with the addition of several branch lines in the eastern section an approximate total of 1,000 miles of branch lines completed or under construction.

Fleets of modern steamships will be established by the company for ocean navigation on the Atlantic and Pacific Oceans.

The actual contemplated mileage of the Grand Trunk Pacific Ry. is as follows: Moncton, New Brunswick, to Winnipeg, 1,804 miles; Winnipeg to Prince Rupert (on Pacific Coast), 1,745 miles; Lake Superior Branch, 188 miles; other branches (approximately) 1,000 miles. Total mileage of the entire Grand Trunk System will be over 8,500 miles.

The authorized stock of the Grand Trunk Pacific Ry. is \$45,000,000, (including \$20,000,000 preferred), of which \$24,940,000 (common) was owned by the Grand Trunk Ry. of Canada, on June 30, 1915.

In 1906, the creation of \$25,000,000 of Perpetual Debenture stock of the Grand Trunk Pacific Ry. was authorized, for the purpose of providing funds for the equipment of the line, etc. Of this Debenture stock, \$5,000,000 each was sold in 1907, 1908, 1909 and 1910. The last sale was made at 92½. The stock is guaranteed by the Grand Trunk Ry. of Canada and is redeemable at 105 after 1936.

In 1913 another issue of \$25,000,000 of Perpetual Debenture Stock was authorized. £3,136,980 of this stock was offered for sale during the fiscal year 1912-13.

Under date of March 2, 1914, £2,000,000 5% seven-year Notes of the Grand Trunk Pacific Ry. were offered for subscription in London. A large portion of the issue was sold. The Notes are secured by deposit of £3,000,000 4% Debentures and are guaranteed by the Grand Trunk Ry.

### QUEBEC CENTRAL RY.

See Table, page 199.

Dividends of 4% per annum were paid on the common stock of this company in 1914-15, 1913-14, 1912-13 and in 1911-12, as against 3% paid in 1910-11 and 2% paid in 1909-10.

The company had outstanding on June 30, 1915, the following securities: First Debenture stock, 4%, \$2,943,540; Second Debenture stock, 3½%, \$1,644,933; Third Mortgage bonds, 5%, \$1,644,933; common stock, \$3,381,603.

Effective January 1, 1913, the Canadian Pacific Ry. leased the Quebec Central Ry. for 999 years. By the terms of the agreement to lease the property, the Canadian Pacific Ry. agreed to guarantee the payment of interest on the 4% First Debenture stock; and offered in exchange for the 3% Second Debenture stock, then outstanding, par in 50-year 3½% Debenture stock, guaranteed as to principal and interest. 50-year guaranteed 5% bonds and a cash bonus of 10% was offered in exchange for the 7% Income bonds; and a guarantee of dividends at 4% per annum for the first four years from July 1, 1912, and at 5% per annum thereafter, was offered to the stockholders.

The mileage operated on June 30, 1915, was 258 miles, and further extensions have been chartered or are contemplated, including a line into Quebec.

As of June 30, 1915, Current Assets (including \$237,377 cash and \$278,454 fuel, material and supplies) totalled \$603,948 as against Current and Accrued Liabilities amounting to \$449,783.

#### TORONTO, HAMILTON & BUFFALO RY.

See Table, page 200.

The stock of this company is owned by the following named companies: New York Central R. R., \$1,299,900; Michigan Central R. R., \$625,000; Canadian Pacific Ry., \$478,600, and Canada Southern Ry. (Michigan Central R. R.) \$624,960. The New York Central R. R. and the Michigan Central R. R. are also owners of an equal amount (\$357,000 each), of this company's Second Mortgage 4% bonds (\$1,000,000 outstanding), while the Canadian Pacific Ry. holds \$271,000 of these bonds.

In October, 1912, a cash dividend of 20% was paid. At the same time \$1,000,000 additional stock was issued and sold at par to pay for improvements. From October, 1913, to July, 1914, quarterly dividends of 1½% were paid. In October, 1914, the dividend was passed.

The First Mortgage 4% bonds of this company, of which \$3,280,000 are authorized and outstanding, are guaranteed as to interest under an agreement entered into by the companies in control, which provides that, if necessary, they will set aside, to meet the interest, 25% of their gross earnings derived from interchange of traffic with the Toronto, Hamilton & Buffalo Ry.

As of December 31, 1914, Working Assets were \$1,199,824 as against Working Liabilities (including \$1,100,000 Loans and Bills Payable), \$1,496,156.

#### CUBA R. R.

See Table, page 201.

This railroad is controlled by the Cuba Co. The amount of common stock outstanding is \$10,000,000. This includes \$3,874,000 stock issued to the Cuba Co. in 1912-13, this



amount having become due to the latter company upon completion of the railroad. An initial dividend of 4% was paid on the common stock May 1, 1913. On May 1, 1914, common stock was placed on a 6% basis by payment of a semi-annual dividend of 3%. The 6% rate has since been maintained. The preferred stock is entitled to 6% per annum non-cumulative dividends. An initial semi-annual dividend of 1½% was paid on the preferred stock in August, 1909; 3% was paid in 1909-10; also 4% in 1910-11, 5% in 1911-12 and 6% in 1912-13, in 1913-14 and 1914-15.

The First Mortgage bonds of the Cuba R. R. mature July 1, 1952, bear interest at 5%, and may be issued at \$20,000 per mile. \$12,030,000 of these bonds were outstanding on June 30, 1915.

The surplus to the credit of Profit and Loss as of June 30, 1915, was \$3,776,272. Current Assets as of that date (including \$483,468 material and supplies and \$143,300 due from the Government of Cuba), were \$2,132,563, and Current Liabilities amounted to \$655,967.

An issue of Improvement and Equipment 5% bonds was authorized in June, 1910, to be issued in amounts not to exceed \$12,000 per mile of main track. In July, 1912, \$4,000,000 of these bonds were sold, and the proceeds used to retire \$2,000,000 6% 2-year Notes due August 15, 1912, and for extensions, etc.

From 1905 to 1915 there has been an increase in Gross Earnings of 405% and in Net Earnings of 825%.

This railway's main line extends from Santiago westward to Santa Clara (356 miles), where connection is afforded with the lines of the United Rys. of the Havana & Regla Warehouses, the two lines forming a through route from Santiago to Havana. Branches extend to Manzanillo, Antilla and to other important places. Total mileage operated June 30, 1915, 602 miles; under construction 56 miles.

### CUBAN CENTRAL RYS.

See Table, page 202.

This company (Registered in 1899) as of June 30, 1915, operated 353 miles of railway located in the central part of the Island of Cuba.

The dividends paid by this company during recent years have been as follows:

	'00-01	'01-03	'03-'12	'12-13	'13-14	'14-15
Preference %..	5½	5½	5½	5½	5½	5½
Ordinary %...	1	0	2	3	2	4

As of June 30, 1915, the capitalization of the company authorized and outstanding was as follows:

	Authorized	Issued	
Preference Shares (5½% cum.)	£1,400,000	£1,200,000	\$6,000,000
Ordinary Shares.....	900,000	900,000	4,500,000
Debenture Bonds (4½%).....	1,000,000	*887,300	*4,436,500
Debenture Stock (5%).....	1,300,000	1,178,000	5,890,000

\*Of which amount £115,600 (\$578,000) has been redeemed by Sinking Fund.

The par value of the Preference and Ordinary Shares is £10. The Preference Shares have the priority as to capital. The (Mortgage) Debenture Bonds and the Debenture Stock are redeemable at 110 on 6 months' notice.

The balance sheet of the Company as of June 30, 1915, showed a considerable margin of Current Assets over Current Liabilities, also large Reserve Funds.

Late in 1913 the United Rys. of the Havana & Regla Warehouses offered £7 10s of their Ordinary Stock carrying dividends from July 1, 1913, for each £10 Ordinary Share of the Cuban Central Ry. carrying dividend due July 1, 1913. About 84,000 of the 90,000 shares were acquired up to about January 15, 1914. Subsequently the United Rys. offered £10 in its preferred stock and 10s in its common stock for each £10 share of Cuban Central Ry. preference stock.

During 1914-15 the railway handled 2,388,090 tons of sugar cane, 411,806 tons of sugar, 96,629 tons of molasses, 25,496 tons of tobacco, 112,214 tons of building material, 254,663 tons of imported goods, etc.

## GUANTANAMO & WESTERN R. R.

See Table, page 203.

This company, controlled in the interests of the Guantanamo Sugar Co., is the successor by reorganization to the Cuba Eastern R. R., Cuba Eastern Terminal, Northeastern Cuba R. R. and Eastern R. R. of Cuba, foreclosed in 1909. The line is located in the eastern part of Cuba and extends from Boqueron on the south coast via Guantanamo to a connection with the Cuba R. R. at San Luis.

The First Mortgage 6% bonds, \$600,000 of which are outstanding, mature 1929. They were offered for subscription at the date of the reorganization at 85, with a bonus of 25% each in new common and preferred stocks. \$429,500 Two-Year Redeemable 6% Notes were outstanding June 30, 1915.

The first preferred stock and the second preferred stock are entitled to dividends of 7% and 5% per annum respectively in priority to the common stock. After the common stock receives in any year 5% all classes of stock share pro rata in further divi-

dends. No dividends are paid. \$2,463,000 first preferred stock and \$2,463,000 common stock were issued as per plan of reorganization (1909), and offered in exchange for \$4,927,000 bonds of the former operating companies (see above). All bondholders received \$500 each in new common and first preferred stock for each \$1,000 bond owned. \$110,500 (entire outstanding amount), of second preferred stock was issued in exchange of \$221,000 Debentures.

As of June 30, 1915, Current Assets amounted to \$230,683, and Current Liabilities (including \$75,032 Loans and Bills Payable), were \$125,803.

### UNITED RYS. OF THE HAVANA & REGLA WAREHOUSES, LTD.

See Table, page 204.

The preference stock of this company is limited to cumulative dividends of 5% per annum. 5% dividends were paid on this class of stock in 1910-11, 1911-12, 1912-13, 1913-14 and 1914-15. 4½% was paid on the ordinary stock in 1911-12. In 1912-13 the dividend rate on the ordinary stock was increased to 5%. The 1913-14 dividend (5%) was paid in 5% Debenture Stock. In 1914-15 the 5% was paid in cash. No dividends were paid on the deferred ordinary stock. Additional deferred ordinary stock to the amount of £95,626 4s. 11d. is reserved to acquire additional shares of the Havana Central R. R. (acquired 1907). £7,228 preference stock and £94,306 ordinary were as of June 30, 1915, reserved to acquire additional stock of other companies (see following), and £706,344 preference, £10,940 deferred ordinary and £299,969 ordinary stock has been authorized but has not been issued.

Debenture and Debenture Stock issues of this company at June 30, 1915, were as follows: 5% "A" Irredeemable Debenture Stock, £380,000; 5% Consolidated Irredeemable Debenture Stock, £1,425,900; 5% Irredeemable Debenture Stock (1906), £2,988,193 (an additional £119,100 are reserved to redeem a like amount of bonds of the Old Company); 4% Redeemable Debentures and Debenture Stock, £1,281,455 (£7,217 additional Debentures are available for exchange of Havana Central R. R. 5% bonds and £34,428 are unissued); 4½% Redeemable Debentures, £988,750.

The United Rys. of the Havana & Regla Warehouses, Ltd., was incorporated in 1898, and has since acquired: (1) in 1906, the Cardenas & Jucaro Ry.; (2) in 1906, the Matanzas Ry.; (3) in 1907, the Havana Central R. R.; (4) in 1911-12, the Western Ry. of Havana, Ltd.; (6) in 1913-14 the Cuban Central Rys. The consolidated company operates the largest railway mileage in the Island of Cuba; its gross receipts are likewise considerably the largest. The main line extends from Havana to Santa Clara (176 miles), where connection is made with the Cuba R. R. main line, affording a direct route from Havana to Santiago and other

eastern points. Lines extend to all of the important cities in the western portion of the island connecting Havana with Cardenas, Matanzas, Cienfuegos and other important points. The Western Ry. of Havana, Ltd. (acquired 1911-12), extends from Havana to Guane near the western end of the island with branches (147 miles).

To acquire the £1,100,000 stock of the Western Ry. of Havana, Ltd., the United Rys. of Havana offered £4 15s. of 5% cumulative preferred stock and £10 of ordinary stock for each £10 share of the former. 98.51% of the total stock was thus acquired. The Western Rys. of Havana paid a 7% dividend in 1915.

On January 1, 1915, a car ferry was placed in operation between Havana and Key West, Fla., affording through freight train connections between the United States and Cuba. The amount of traffic has been sufficient to warrant building another ferry steamer which will be completed in the near future.

The balance sheet as of June 30, 1915, showed among the Assets, Investments at cost (including £296,785 Deferred Ordinary Stock of the company held by the Trustees for the 5% Irredeemable Debenture Stock), \$25,084,000 (£5,016,800). This did not include \$8,881,060 (£1,776,212), First Mortgage 5% bonds and stock of the Havana Central R. R. acquired by an issue of this company's 4% Debentures and Deferred Ordinary Stock at par. These securities are held as security for the 4% Debentures of the United Rys. There was also Cash, Stores, etc., on hand, Bills Receivable, etc., to an amount considerably in excess of Current Liabilities. The company's Reserves amounted to the following:

Reserve Account .....	\$2,750,000	(£550,000)
Reserve for General Renewals	615,610	(£123,122)
Pension Account .....	131,880	(£26,376)
Insurance Account .....	125,000	(£25,000)

The stockholders of the United Rys. of the Havana & Regla Warehouses in 1913-14, approved of the acquisition of the ordinary stock of the Cuban Central Rys. on the basis of £7 10s. United Rys. stock for each £10 Cuban Central Rys. stock. Likewise holders of this company's preference stock was offered an equal amount of United Rys. preference stock. £900,000 and £1,220,000 Cuban Central Rys. ordinary and preference stock was outstanding June 30, 1915, of which 98.86% and 50.16% had been acquired by the United Rys. This company operates an important system of railways in Central Cuba (Cienfuegos to Esperanza, Sagua la Grande, Concha, etc., etc., 353 miles).

There was handled by the United Rys. in 1914-15, 7,123,839 tons of commercial freight and 6,727,030 passengers.

(See Cuban Central Rys. and Western Rys. of Havana.)

**WESTERN RY. OF HAVANA.**

See Table, page 205.

This railway line extends from Havana in a southwesterly direction to Pinar del Rio, San Juan and Guane. This is the only railway serving the state of Pinar del Rio and it handles a considerable volume of traffic. The company purchased during 1909-10 the property of the Vuelta-Abajo Steamship Co. at a cost of \$55,000 (£11,000).

There had been issued to June 30, 1915, \$2,950,000 (£590,000) of an authorized issue of \$3,666,665 (£733,333), 4½% Debenture Stock. The proceeds of the Debentures were used largely to retire 6% Debentures.

The stock of the company received dividends at the rate of 7% per annum from 1905 to 1915 inclusive.

On November 18, 1911, the stockholders of the Western Ry. of Havana were offered by the United Rys. of the Havana & Regla Warehouses (which see), £4 15s. in the latter's 5% cumulative preference shares and £10 in ordinary shares for each £10 share of the Western Ry. of Havana stock. 98.51% of the stock was thus acquired by the United Rys. of the Havana & Regla Warehouses.

This company had as of June 30, 1915, a large balance of cash and Current Assets and was otherwise in excellent financial condition.

**INTERNATIONAL RYS. OF CENTRAL AMERICA.**

See Table, page 206.

This company was incorporated in April, 1912, and is a consolidation of the Guatemala Ry. (195 miles), the Guatemala Central Ry. (139 miles), the Occidental R. R. (51 miles), and the Ocos R. R. (22 miles). The company's lines as they at present exist extend from Puerto Barrios on the Caribbean Sea to Guatemala City (capital of Guatemala), 194.5 miles, thence to San Jose on the Pacific Ocean (74 miles), and from Mazatenango to Champerico on the Pacific Coast with a branch (51 miles). The company has also completed a line from Mariscal, on the Mexican frontier, to Las Cruces, where connections are afforded with a branch now in operation between the latter point and Santa Maria on the main line. From Santa Maria the line is being extended southeasterly to Santa Ana in Salvador. 84 miles of the Salvador division had been completed to December 31, 1914. When this and various other lines in Central America, which are being constructed by interests in control of this company are completed, a direct through route will be afforded between Vera Cruz, in Mexico and Panama and Colon, extending along the Western portion of Central America through the five Republics of Guatemala, Salvador, Honduras, Nicaragua and Costa Rica; also Panama.

A number of branch lines will be operated including two lines to the Atlantic Coast (in Guatemala and Costa Rica).

The International Rys. of Central America has assumed the obligations of the merged companies and has authorized \$30,000,000 common stock, \$10,000,000 5% preferred stock and £4,500,000 5% bonds, due 1972 (£1,000,000 issued in 1912). In August, 1912, an initial quarterly dividend of 1¼% was paid on the (\$10,000,000) preferred stock. The 5% rate was maintained until November, 1914, when owing to the decrease of earnings, due to the outbreak of the European war, the dividend was passed. The preferred stock is entitled to share equally in all dividends paid in any year after 5% has been paid on both issues of stock.

In addition to £1,000,000 5% bonds sold in 1912, the company has issued \$3,500,000 Central Division Purchase Money bonds. These bonds are secured by a mortgage on the Guatemala Central R. R., subject to the latter's \$2,500,000 6% bonds due 1916, and bear interest at 5% per annum. A contract has been entered into with the United Fruit Co., whereby the railway will handle all the products of the Fruit Co., raised in the territory served by the railway.

The balance sheet as of December 31, 1914, shows Working Assets \$915,074 and Working Liabilities \$344,576.

The stock and bonds of this company are listed on the London Stock Exchange.

### PANAMA R. R.

See Table, page 207.

This railroad is controlled by the United States Government through stock ownership.

Dividends on the stock have been paid in recent years as follows: 1901, 2%; 1902 and 1903, 4%; 1904, 6½%; 1905, 5%; none since. The Surplus Earnings for 1912-13 as reported (\$2,179,175) were equal to over 31% earned on the \$7,000,000 capital stock.

No bonds are outstanding. By Act of Congress the sum of \$2,148,217 was appropriated by the United States Government to redeem on October 1, 1907, at 105 and interest, in accordance with the terms of the Mortgage, all of the then outstanding bonds (First Mortgage 4½s) of the Panama R. R. On June 30, 1915, \$1,848,217 of this sum, together with \$1,399,115 cash appropriated through the Isthmian Canal Commission (original appropriation was \$2,786,830), remained due to the U. S. Government. The company has been released from further payments on account of principal and interest upon its indebtedness to the Government, for which, however, until further action the company is still held accountable.

This company operates directly a line of railroad in the Isthmus of Panama, extending from Colon on the Atlantic Coast to Panama on the Pacific Coast (48 miles) with various branches. The total mileage of tracks under the company's control was 131 miles, likewise 77 miles of track owned by the Canal contractors were operated and maintained; also a line of steamships, operating between Colon and New York. (See a following paragraph).

The Panama Steamship Co. (owned by the Railroad Co.) operates a fleet of eight steamships. Six of these steamers (two of 12,000 gross tonnage, two of 9,606 gross tonnage and two of 5,667 gross tonnage) are chartered and two are owned (gross tonnage 3,905 and 2,605 tons, respectively). In addition, the Steamship Co. owns a considerable fleet of lighters, tugs, etc. The Gross Revenue from the Steamship Line for 1914-15 was \$2,642,457 against \$2,255,101 in 1913-14, \$2,151,158 in 1912-13; \$1,996,299 in 1911-12; \$1,860,111 in 1910-11 and \$1,876,727 in 1909-10, and the Net Profit was \$499,853, against \$314,296 in 1913-14, \$221,490 in 1912-13, a Net Loss of \$305,743 in 1911-12, a Net Profit of \$77,188 in 1910-11 and \$167,952 in 1909-10.

During 1914-15 \$2,075,788 (net) was expended for Additions and Betterments of the plant and equipment, against \$1,168,715 in 1913-14.

The balance sheet of the Panama R. R. as of June 30, 1915, showed Current Assets (including \$2,724,541 cash, \$1,575,556 material, coal and supplies, but not including \$2,060,811 marketable securities owned), \$5,721,971, and Current Liabilities, \$2,364,260. Equipment and Plant Depreciation Reserves totalled \$1,609,025, and there was a credit balance to Profit and Loss of \$16,941,072.

### ARGENTINE NORTH EASTERN RY.

See Table, page 208.

This company's lines extend from Concordia in the province of Entre Rios (where connection is made with Entre Rios Rys.) to Corrientes, capital of the province of that name, and to Posadas. At the latter point a car ferry service has been established affording a connection with the Paraguay Central Ry. operating in the Republic of Paraguay. In October, 1913, through passenger train service via this railway, the Entre Rios Ry. and the Paraguay Central Ry. was placed in operation between Buenos Ayres and Asuncion, the capital of Paraguay. An extension southward from Concordia to Concepcion del Uruguay (about 84 miles) was opened for operations January, 1915, and a large additional mileage is under construction or is projected, including a line to Puerto Aguirre near the Brazilian frontier.

No dividends are paid on the ordinary stock of this company.

In December, 1911, £1,000,000 5% "C" Debenture stock was authorized and was sold at 85, the proceeds to be used to complete extensions then under construction. In 1912-13, £203,886 "A" Debenture stock was sold.

The company's capital authorized and outstanding as of June 30, 1915, was as follows:

	Authorized	Issued	Balance
1575 Shares of £20 each.....	£31,500	.....	£31,500
Stock .....	2,768,500	£2,768,500	.....
5% "A" Debentures and "A" De- benture Stock .....	1,200,000	1,200,000	.....
5% "B" Debentures and "B" De- benture Stock .....	992,229	992,229	.....
"C" Debentures and "C" Deben- ture Stock .....	2,000,000	1,000,000	*1,000,000

\*Includes £800,000 deposited as Security for Temporary Loans. These Temporary Loans, with interest accrued thereon, amounted as of June 30, 1915, to £326,933.

In 1914-15 full interest (5%) was paid on the "A" Debentures and Debenture Stock. Interest on the "B" Debentures and Stock was paid 2½% in cash and 2½% in 5% Funding Scrip. Interest on Temporary Loans was likewise paid in 5% Funding Scrip. Interest at the rate of 2¾% was paid on the "C" Debentures and Stock for the year to June 30, 1914 in "C" Debentures and stock, in accordance with a Scheme of Arrangements dated July 21, 1915. This interest was paid in November, 1915.

Gross Traffic Receipts July 1, 1915, to January 1, 1916, were £172,170 as compared with £125,037 for a similar period during 1914-15.

### BUENOS AYRES & PACIFIC RY.

See Table, page 209.

The first preference stock and the second preference stock are entitled to receive dividends of 5% each in order of priority. The dividend on the first preference stock is cumulative. Dividends on the three classes of stock have been paid since 1907-8 as follows:

	'07-08	'08-09	'09-10	'10-11	'11-12	'12-13	'13-14	'14-15
First Preference..	5	5	5	5	5	5	5	5
Second Preference	5	5	5	5	5	5	5	*
Ordinary .....	7	5	3	3½	2	3	0	0

\*£2. 16s. 6d. per £100 stock.

The 4% First Debenture stock (£2,925,000 authorized and outstanding) and the 5% Second Debenture stock (£2,075,000 authorized and outstanding) are a first and second charge on the property of this company. The latter class of stock is redeemable at 105 at the company's option. £7,942,673 4½% Consolidated Debenture stock and £4,000,000 5% Debenture stock (issued 1912 to 1915)



were also outstanding on June 30, 1915, being charges on the property in the order of priority. £307,327 5% Debenture stock was called for payment July 1, 1913. This was a part of an issue of £1,250,000, the balance of which (£942,673) was exchanged for an equal amount of 4½% Consolidated Debenture stock.

The company's balance sheet as of June 30, 1915, showed a considerable balance of Current Assets over Current Liabilities. Among the Current Assets was cash to the amount of £424,320, £137,759 Bills Receivable and £1,864,808 stores. There were also Reserve Funds to the amount of £670,783.

This company leases the Argentine Great Western Ry. and paid as rental in 1914-15, £492,195, of which £316,000 was used to pay interest on the latter's £7,000,000 Debenture stocks and the balance to pay 5% and £2 16s. 6d.% as dividends on the £2,125,000 preferred stock and £2,125,000 ordinary stock of the latter. The Bahia Blanca & Northwestern Ry. is also operated under agreement. £449,128 was paid as rental for this line in 1914-15, £443,250 of which was applied as dividends on the latter's stock. The sums of £45,508 and £8,564 (£28,063 in 1913-14) were paid in 1914-15 to the Villa Maria & Rufino Ry. and to the Argentine Transandine Ry. as rentals, the former amount as a dividend and the latter as a proportion of receipts.

The Bahia Blanca & North Western Ry. which, as stated above, is operated by the Buenos Ayres & Pacific Ry. under a working agreement, earned in 1914-15 gross, \$3,778,765 (£755,753). The company operated June 30, 1915, 874 miles of road, and had outstanding on that date Debenture stock and Guaranteed stock to the amount of £10,050,000.

The lines of this company and of the companies leased by it extend from Buenos Ayres on the east, to the Transandine Tunnel in the heart of the Andes Mountains (the tunnel is two miles in length and its altitude is over 10,000 feet). Here connection is made with the Chilian Transandine Ry. which runs down the western slope of the mountain and which in turn connects with Chilian Rys., these lines thus forming a Transcontinental system from the Atlantic Ocean to the Pacific Ocean. A large number of extensions and branches have been constructed by the B. A. & P. Ry. during recent years.

Wheat and other Cereals, Wine and Grapes and Live Stock constitute the principal tonnage hauled by this railway system. In 1914-15, a total of 8,935,600 passengers were carried (average 24,481 per day—114 per train). This compares with 11,154,346 passengers carried during 1913-14 and 11,601,148 during 1912-13.

### BUENOS AYRES GREAT SOUTHERN RY.

See Table, page 210.

The lines of this company extend from Buenos Ayres (where

extensive and valuable terminals are owned) in a southerly and southwesterly direction, through the province of Buenos Ayres, converging at Bahia Blanca. Practically all of the important points in the eastern, central and southern parts of the province of Buenos Ayres are reached. From Bahia Blanca a line runs in a westerly direction to Senillosa from which latter point it is being extended to Pino Hachedo Pass on the boundary line with Chili (nearly 200 miles). Here connections will be afforded with the Chilian State Rys. Branch lines are to be constructed from Rio Colorado and Darwin on the western extension of the main line through the province of Rio Negro to Port San Antonio on the Gulf of San Matias. At Port San Antonio a connection will be afforded with the Patagonia Ry., which the Government is constructing and which will strike westward across Patagonia thence southward towards the Straits of Magellen. A large portion of the mileage is double-tracked, while in the vicinity of Buenos Ayres the line has four tracks. The Buenos Ayres Great Southern Ry. had completed to June 30, 1915, 3,792 miles including 65 miles completed in 1914-15.

During 1914-15 the sum of £584,760 (net) was expended for extensions, additions and betterments and for new equipment.

£15,472,560 4% Debenture stock outstanding June 30, 1915, is part of an authorized issue of £15,750,000. The £1,032,930 and £242,600 4½% Debenture stock was issued to the Buenos Ayres Western Ry. in payment of the Saladillo Branch and of the Brandzen Branch.

The ordinary stock received dividends of 7% per annum from prior to the year 1900 to and including 1912-13. In 1913-14, the dividend rate was reduced to 5% per annum, and in 1914-15 to 4% per annum. Nearly all of the stock has been sold to the stockholders at par.

The gauge of this road is 5 feet 6 inches. A similar gauge is used by the principal railway lines in the Republic of Argentine. The rail used in the main track is largely 85 to 100 pounds in weight.

As of June 30, 1915, the company had on hand stores and supplies to the amount of £2,144,939 and a large amount of current assets. Funds for General Reserve, Insurance, etc., were on hand to the amount of £1,310,901.

See Buenos Ayres Western Ry. regarding lease of the Buenos Ayres Midland Ry. by the Buenos Ayres Great Southern Ry. and Buenos Ayres Western Ry.

During 1914-15, 23,323,756 passengers were carried as compared with 27,591,934 in 1913-14 and 27,454,719 in 1912-13. Likewise in 1914-15, 4,990,257 tons of freight and 5,361,371 animals were carried as compared with 5,490,853 and 7,977,663 tons of freight and with 6,191,562 and 6,562,951 animals carried in 1913-14 and 1912-13.

As of June 30, 1915, this company had in service 678 locomotives; 1,123 passenger trains cars (including 133 sleeping cars and a large number of parlor and dining cars); 15,576 freight trains cars and 579 service cars.

### BUENOS AYRES WESTERN RY.

See Table, page 211.

The 5% and 4½% Preference Shares are repayable at £11 per £10 share in the event of the company being liquidated or the line sold. The 4% Extension shares of 1915 (£3,600,000) were convertible into Ordinary stock at par July 1, 1915. An issue of £3,400,000 4½% Guaranteed Preference stock has been authorized. None of this class of stock had been issued to June 30, 1915. Dividends of 7% per annum were paid on the Ordinary stock from 1902-3 to 1909-10, and in 1911-12 and 1912-13; in 1910-11 7½% was paid; in 1913-14 and 1914-15 5% was paid.

The line of this company extends westward from Buenos Ayres into the districts of La Pampas and San Luis.

A number of extensions are authorized or are under construction. A portion of the mileage suburban to Buenos Ayres is being operated by electricity while electrification is in progress on additional mileage.

In May, 1915, £1,000,000 5% Terminable (1925) Debenture stock was issued to stockholders and was largely over-subscribed.

Live stock (mostly sheep) form one of the Buenos Ayres Western Ry.'s principal sources of traffic. 7,018,867 live stock were handled in 1914-15, also 2,089,975 tons of goods, of which all except 591,166 tons consisted of Products of Agriculture.

The company received in 1914-15 £148,186 as rental and as interest on securities received in payment for lines disposed of to other companies as follows: Central Argentine Ry. Northern Branches, £90,787; Buenos Ayres Gt. Southern Ry., interest on £1,032,930 4½% Debenture stock for the Saladillo Branch, £46,482; same company for Rental Brandzen Branch, £10,917, and B. A. & Pacific Ry. interest in respect of Chacarita Branch, £1,615.

Jointly with the Buenos Ayres Great Southern Ry. this company has acquired the Buenos Ayres Midland Ry., Buenos Ayres to Carhue (320 miles). 3% per annum from January 1, 1914, until June 30, 1916, and 4% per annum thereafter has been guaranteed on the preference and ordinary shares of the Midland Ry. The B. A., Western Ry. paid to the Midland Ry. in 1914-15 as per Working Agreement, £73,720.

### CENTRAL ARGENTINE RY.

See Table, page 212.

The preference stock is entitled to dividends at the rate of 4½% per annum in priority to the consolidated ordinary stock and

the deferred stock. £9,695,718 of this class of stock was outstanding June 30, 1915. The authorized issue of preferred stock is limited to one-half of the amount of Ordinary and deferred stock issued from time to time.

The consolidated ordinary stock, £28,186,950, of which is outstanding, including \$13,446,650 (£2,689,330) new shares, 1913, is entitled to 5% per annum, after which the deferred stock (£811,800 outstanding) receives 5%, then both issues share pro rata in further dividends. An additional £3,000,000 £10 shares have been authorized.

The 4% Debenture stock, £13,427,781, of which was outstanding June 30, 1915, is a first floating charge on the entire property, subject only to the £2,017,500 annuity issued to the Buenos Ayres Western Ry. in payment for lines acquired, and to £123,772 3½% Central Debenture stock. The Debenture capital cannot exceed two-thirds the share capital outstanding at any time.

For the year ending June 30, 1913, and for a number of years previous, dividends of 6% per annum were paid on the consolidated ordinary stock and on the deferred stock. In 1913-14 the dividend was reduced to the present rate of 5% per annum.

The Central Argentine Ry. operates an important system of railways extending from Buenos Ayres and Rosario, to Cordoba, Tucuman, Santa Fe, etc., including two lines between Buenos Ayres and Rosario, one of which is the main line extending to Tucuman. The country served by this railway system is highly productive and is growing rapidly. During 1914-15 the railway handled 2,329,871 tons of maize and 1,921,669 tons of wheat, total goods handled producing revenue 6,939,977 tons (6,890,581 tons, 1913-14, and 8,104,432 tons, 1912-13), also 1,646,815 head of live stock (including 1,045,749 cattle). A total of 20,798,617 passengers were also carried in 1914-15 as against 23,091,310 carried during 1913-14.

The balance sheet as of June 30, 1915, showed an extremely strong financial condition. The amounts of Cash, Securities held for Investment, Stores, etc., greatly exceeded Current Liabilities, and large sums were reserved for Renewals, Insurance, Casualties, etc., etc.

As of June 30, 1915, the company owned 659 locomotives, 787 passenger train cars, 18,591 freight train cars and 844 service cars. A portion of this railway is being electrified.

There follows a table showing the growth of this System during a period of ten years:

	1902-3	1912-13	Inc. %
Average Miles Operated .....	2,316	2,994	29.3
No. of Passengers Carried.....	7,070,289	21,721,273	207.2
*Tons of Goods Carried .....	3,939,757	9,449,209	139.8
Tons of Live Stock Carried....	300,932	654,895	117.6
Gross Receipts .....	£2,796,296	£6,489,346	132.1
Net Receipts .....	£1,389,072	£2,770,411	99.4
Train Miles .....	5,042,089	10,314,245	104.6
Accumulated Reserve Funds ..	£643,897	†£2,173,138	237.5

\*Includes company freight. †June 30, 1912, amounts larger on June 30, 1913.

### CORDOBA CENTRAL RY.

See Table, page 213.

This railway system (metre gauge) operates from Buenos Ayres, where a terminal and office building has been erected, through a thickly populated country to Rosario—thence to Cordoba, and northward to La Madrid Tucuman, etc.

On January 1, 1913, the Cordoba Central Original Line and Central Northern Section, the Cordoba Central Buenos Ayres Extension Ry. and the Cordoba & Rosario Ry. were amalgamated, and have since been operated as the Cordoba Central Ry. The new company was authorized and has outstanding the following securities:

	Authorized	Outstanding
Ordinary Income Stock .....	£5,000,000	*£4,068,620
Shares (par £1) .....	107	107
5% Cumulative First Preference Income Stock .....	2,500,000	1,400,000
5% Second Preference Income Stock...	2,500,000	†1,661,895
4% First Debenture Stock .....	8,000,000	8,000,000
4½% Second Debenture Stock .....	5,000,000	5,000,000
6% 3-year Notes .....	500,000	‡248,600

£23,500,107    £20,419,222

\*£107,424 Ordinary Income Stock does not rank for dividends until July 1, 1917.

†£700,000 Second Preference Income Stock does not rank for dividends until July 1, 1916.

‡Due December 15, 1917.

For the six months ending June 30, 1913, dividends at the rate of 5% per annum were paid on the First and Second Preference Income Stock, and a dividend of 2½% per annum (1¼% for six months) was paid on the Ordinary Stock. In 1913-14 5% each was paid on the First and Second Income Stock. The dividend on the Ordinary Stock was passed. In December, 1914, 2½% was

paid on each class of Preference Income Stock. No dividends have since been paid.

The Argentine Ry. acquired control of this System during 1913. For the six months ending June 30, 1913, the Cordoba Central Ry. Co. received from the Argentine Ry., as guaranteed, the sum of £53,985, to make up additional net traffic. Subsequently the Argentine Ry. passed into Receiver's hands and the guarantee was relinquished. Instead of the cash guarantee the Cordoba Central Ry. has been satisfied by the payment on the part of the Argentine Ry. of 5,000 shares of par value 500 francs (\$100) each in the stock of the Province of Santa Fe Ry.

The cost of the Buenos Ayres Extension to the date of the merger was shown to be £3,153,118 (\$15,765,590) and the interest paid on the B. A. Extension 5% Debentures under interest guarantee (by Cordoba Central Ry.) was £982,230 (\$4,911,150). The Net Earnings from May 11, 1909, to December 31, 1912, and the rents from the administration building for that period were £244,372 (\$1,221,860). The Capital Expenditure (mostly for rolling stock), for the year 1914-15, on the entire System, was £357,445 (\$1,687,215).

### ENTRE RIOS RYS.

See Table, page 214.

This line extends from Zarate (168 miles from Buenos Ayres) via ferry to Ibicuy (49 miles) and from the latter point to Concordia in the province of Entre Rios, with several branches and extensions. This line forms part of a direct through route between Buenos Ayres and Asuncion, the capital of Paraguay. Through passenger service via this railway and via connecting lines was established between these two points October, 1913. It is expected that the ferry route across the Parana River will be shortened from 49 miles to 18 miles, and that the company will secure improved terminal facilities in Buenos Ayres (Buenos Ayres Central Ry. tracks at present used between Zarate and Buenos Ayres).

The first preference stock is entitled to dividends at the rate of 5% per annum. On June 30, 1904, 39½% in back dividends remained due on this stock. In lieu of the same the first preference shareholders received 105% in 4% non-cumulative second preference stock and agreed to waive their cumulative right until dividends shall have been paid on both classes of preference stock for three consecutive years.

In each of the years 1909-10, 1910-11, 1911-12 and 1912-13, 5% was paid on the first preference stock, while 1%, 4%, 4% and 4% each was paid on the second preference stock. In 1913-14, 2½% was paid on the first preference stock and 2% on the second preference stock. No dividends have since been paid. In 1910-11, 1½% was paid on the ordinary stock. No dividends was paid on the ordinary stock in 1909-10, 1911-12, 1912-13, 1913-14 and 1914-15.

On July 12, 1912, a company (incorporated in Maine) known as the Argentine Ry. was formed for the purpose of consolidating and constructing various railway lines in the Republic of Argentine. This company issued \$15,000,000 6% preferred stock and \$30,000,000 common stock, and was controlled by interests similar to those in control of the Brazil Ry. (Speyer Bros., Kuhn, Loeb & Co., Sir Wm. C. Van Horne, Percival Farquhar, etc.). The charter of this company was a broad one, empowering it to operate railways, traction lines, gas and electric light, heat and power plants, to deal in land, to mine, to refine oil, etc., etc. Under date of October 22, 1912, the Argentine Ry. offered to lease the Entre Rios Rys., Ltd. Under terms of the agreement, in the event of the Net Revenue not being equal in amounts to the interest and dividends on the debenture and preference stock issued and to the following dividends on the ordinary stock of the Entre Rios Rys., Ltd., viz.: 2% per annum from November 1, 1912, to June 30, 1913; 3% for 1913-14; 4% for 1914-15 and 1915-16, and 5% thereafter, the Argentine Ry. guaranteed to provide from its own resources towards any deficiency there might be, a sum not exceeding in any one year the amount of the dividend above specified for that year on the ordinary stock. The Argentine Ry. further guaranteed the dividends on the first and second preference shares for 1912-13. The dividend on the first preference shares will be cumulative hereafter. All surplus, above dividend requirements, was to have been divided 25% to the Entre Rios Rys. and 75% to the Argentine Ry. The profits from the sale of lands at Ibicuy were to have been divided, 75% to the Entre Rios Rys. and 25% to the Argentine Ry. In 1912-13 under the terms of this agreement the Argentine Ry. paid to the Entre Rios Ry. the sum of £67,669, of which £43,894 was repayable out of future surplus revenues.

In 1913-14 and 1914-15, owing to financial difficulties, the Argentine Ry. was unable to advance the guarantee to the Entre Rios Rys. In lieu of these cash advances the Argentine Ry., prior to June 30, 1915, turned over to the Entre Rios Ry. stock of the French Ry. of the Province of Sante Fe, equivalent in nominal amount to £50,000.

For the seven months ending January 29, 1916, Gross Earnings of the Entre Rios Rys. were £320,600 as compared with £252,100 for a similar period during 1914-15.

#### ANTOFAGASTA (CHILE) & BOLIVIA RY.

See Table, page 215.

The Preference Stock of this company is entitled to and receives dividends of 5% per annum. Dividends are cumulative. The Preferred Ordinary Stock is entitled to dividends of 5% per annum, non-cumulative, in priority to the Deferred Ordinary Stock (5% paid 1914; 6%, 1913; 5%, 1912, etc. After the Deferred Ordinary Stock receives 10% both issues share alike in all further distribu-

tion of profits. \$10,000,000 of each of these three classes of stock has been issued and is outstanding. 8% was paid from the surplus of 1914 on the Deferred Ordinary Stock, against 11% in 1913, 8½% in 1912 and 8% in 1911.

The 4½% Perpetual Debenture Stock is secured by a first charge on the property, ranking prior to the 4½% and 5% Debenture Stock. These latter Debenture Stocks are redeemable in 1940 at 105 and 110 respectively. \$5,000,000, \$5,000,000 and \$7,500,000 respectively of these classes of Debenture Stocks were outstanding December 31, 1914. On that date \$3,000,000 (£600,000) 5% (Bolivia) Debenture Stock, redeemable in 1960 at 110, was also outstanding, being secured by £729,065 bonds of the Bolivia Ry., guaranteed by the Government of Bolivia.

Under date of December 15, 1914, an issue of £300,000 6% 2-year Notes, due December 15, 1916, were sold. They are secured by £750,000 of the 5% (Bolivia) Debenture Stock.

The balance sheet of the company as of December 31, 1914, showed a substantial margin of Cash and Current Assets, Stores, etc., over Current and Accrued Liabilities. There were large amounts to the credit of various Reserve Accounts.

This railway operates in the two Republics of Chili and Bolivia. The tidewater terminals are at Antofagasta on Morena Bay, (Pacific Ocean), a port from which a large quantity of nitrate is shipped, and also at Mejillones. The railway extends through the vast nitrate fields of Chili into Bolivia, which latter country is entered at an altitude of 12,000 feet. At Uyani (Bolivia), about 379 miles from Antofagasta, the great silver district of Huanchaca is reached. From Uyani the railway continues to Oruro, where connection is made with the Bolivia Ry., a leased line (see following). This latter line is used between Oruro and Viachi. From Viachi the Antofagasta & Bolivia Ry. proper was, in 1916, constructing a line to La Paz, the principal city of Bolivia. The mileage between Antofagasta and Uyani is of 2 ft. 6 in. gauge, which is to be broadened to the metre gauge, conforming with the standard adopted by connecting lines.

The Antofagasta & Bolivia Ry. expended, prior to December 31, 1914, the sum of £2,037,498, for the acquisition of the common stock and one-half of the First Mortgage 5% bonds of the Bolivia Ry. The Bolivia Ry. bonds are all guaranteed as to interest by the Government of Bolivia. The First Mortgage 5% bonds not owned by the Antofagasta & Bolivia Ry. bear the guarantee of this company and also of the Bolivian Government.

The principal commodities handled by the Antofagasta & Bolivia Ry. in 1913, (a normal year; 1914 and 1915 shipments greatly affected by the war) were nitrate and nitrate earth, 1,019,697 tons, and borate, 52,613 tons; likewise large amounts of silver ore, tin ore, (from Bolivia), coal, petroleum, copper, etc.



## SAN PAULO RY.

See Table, page 216.

The capitalization of this company as of June 30, 1915, was as follows (all authorized securities were outstanding):

Ordinary stock .....	£3,000,000	\$14,580,000
Preference stock (5%) .....	1,000,000	4,860,000
Debenture Stock (5½%) .....	750,000	3,645,000
“ “ (5%) .....	250,000	1,215,000
“ “ (4%) .....	1,000,000	4,860,000
Total capitalization .....	£6,000,000	\$29,160,000

After paying all interest charges on the Debenture stock and the dividend on the Preference stock, the company declared from the balance of earnings a dividend of 10% on the Ordinary stock. This is the regular rate of dividend.

The dividends paid by this company on its Ordinary stock during recent years have been as follows:

	June Half	Dec. Half	Year		June Half	Dec. Half	Year
	%	%	%		%	%	%
1915 ..	10	10	10	1905 ..	12	12	12
1914 ..	10	10	10	1904 ..	12	12	12
1913 ..	14	14	14	1903 ..	12	12	12
1912 ..	14	14	14	1902 ..	12	12	12
1911 ..	14	12	12	1901 ..	10	14	12
1910 ..	14	12	13	1900 ..	8	10	9
1909 ..	14	12	13	1899 ..	10	8	9
1908 ..	14	12	13	1898 ..	12	9	10½
1907 ..	14	12	13	1897 ..	14	11	12½
1906 ..	12	12	12	1896 ..	16	12	14

(Note: Dividends are free from British Income Tax.)

The balance sheet as of June 30, 1915, showed Cash, Stores, Bills Receivable and other Current Assets (including Investments with a market value of (£875,458) \$4,254,726 to the total of (£2,290,777) \$11,133,176, as against Current Liabilities totalling \$1,265,904 (£260,474). There was a Reserve Fund of \$10,360,208 (£2,131,730), and an Income Tax Reserve of \$340,414 (£70,044).

The main line of the San Paulo Ry. is operated between Santos, via San Paulo to Jundiahy, 86½ miles (gauge 5 ft. 3 in.), with branch lines (metre gauge) connecting the main line with the town of Bragantina (47¼ miles) and connecting Atibaia with Piracaia (19 miles). The line from Santos to Sao Paulo and beyond is entirely double-tracked.

The per mile earnings of the main (broad gauge) section, which is operated separately from the metre gauge section, of this railway are, under normal conditions, the greatest of any steam railway line in South America and probably of any railway in either of the

American continents. Coffee is the principal product handled, being carried from the interior to the port of Santos, which is the nearest shipping point to the important city of Sao Paulo (population over 300,000). Santos, the port, has a population estimated at 75,000, and Jundiahy 20,000.

Santos bears the distinction of being the greatest coffee port in the world, possesses excellent docks, electric lighting plants and street railways and is a thoroughly modern city. Sao Paulo is the second largest city in Brazil and is of great commercial importance. There are some 500 factories in the city with a working capital of \$20,000,000 on which the average dividend earned was 10% in 1911.

The San Paulo Ry. enjoys a monopoly of the trade between Sao Paulo and Santos. The Government may purchase the line in 1927 under certain conditions. The railway was originally worked under a Government guarantee of 7% on £2,650,000 under this agreement which has since been cancelled (there is no longer any guarantee). The company retained profits up to 8% on the above amount, all of the balance being divided between the Government and the railway.

### MANILA R. R.

(PHILIPPINE ISLANDS.)

See Table, page 217.

The common and 7% cumulative preferred stocks of this company are held by the Manila Ry., a holding company, with £2,000,000 5% non-cumulative preferred stock and £399,348 (£2,000,000 authorized) common stock, also approximately £4,480,000 Debentures outstanding. The Manila Ry. also owns the \$4,330,000 First Mortgage 6% bonds, due 1956, and the \$7,716,000 Second Mortgage 7% bonds, due 1956, of the Manila R. R. (Northern Extension). The holding company paid 1% annually on its preferred stock from 1911 to 1913 inclusive. The Manila R. R. declared in June, 1913, a dividend to October 1, 1908, of \$188,866 on the \$3,652,800 preferred stock. In 1914 a dividend of \$232,842 was paid from the surplus of 1913.

The First Mortgage 4% Gold bonds, due 1939, secured on the portion of the Manila R. R., known as the Southern Lines and guaranteed as to interest by the Philippine Government, are not owned by the Manila Ry., being listed on the New York Stock Exchange and elsewhere. \$30,000,000 of these bonds are authorized, of which \$7,716,000 have been issued.

The Manila R. R. operates the only steam railroad in the Island of Luzon. The lines extend northward from Manila to Dagupan and San Fernando, with branches, and southward from Manila for 107 miles (to December 31, 1914), with about 128 miles of branches. The Southern Extension is to be extended to a point near the southern coast of the island, while certain additional mileage is to

be constructed by the Northern Extension. The railroad when completed will have a total mileage of approximately 820 miles. 550 miles were in operation December 31, 1914, and 100 miles were under construction.

As of December 31, 1914, the balance sheet of this company showed Working Assets to the amount of \$848,194, as against Working and Accrued Liabilities, \$392,057. There was also due the Philippine Government \$2,313,500, the Government having made the company a loan of that amount for construction purposes. Among the Deferred Debit Items as shown on the balance sheet of the company was a loan for \$6,255,080 made to the Manila Ry.

In February, 1916, it was announced that the Philippine Government would purchase all of the outstanding stock of this company for \$4,000,000.

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